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Marcos Acknowledges Split in Military

Worry Expressed Over Ver, Ramos

By Seth Mydans
New York Times Service

MANILA — President Ferdinand E. Marcos said Monday he was prepared to file charges if necessary against senior military officers to help resolve a factional dispute that he said was dividing the Philippine armed forces.

"We have never admitted this," Mr. Marcos said in an interview. "But if General Ver and others of General Ramos, they are all sitting on their haunches. They are watching each other."

General Fabiano C. Ver is the armed forces chief of staff. He was reinstated on Dec. 3, the day after he was acquitted on charges of involvement in the 1983 assassination of the opposition leader Benigno S. Aquino Jr.

General Fidel C. Ramos, General Ver's deputy, served in his place during his year's leave after being implicated in the Aquino assassination. During that year, General Ramos became the focus for hopes for reform. He hinted that he would consider resigning his commission if General Ver were reinstated.

"I called the two generals," Mr. Marcos said, "and told them, 'I want you to call all these people and tell them this has got to end.'

(Continued on Page 6, Col. 5)



Ferdinand E. Marcos



Corazon C. Aquino

Aquino May Seek Trial of Marcos

By Seth Mydans
New York Times Service

MANILA — The opposition candidate for president, Corazon C. Aquino, said Sunday that if she was elected Feb. 7 she would probably put President Ferdinand E. Marcos on trial for the murder of her husband.

"I will file charges against him," she said. She modified her statement later to say: "Maybe I will be one of many. Maybe it doesn't even have to be me."

In an interview at her home after a rally to launch her election campaign, Mrs. Aquino said she did not have a specific program of government and that "the only thing I can really offer the Filipino people is my sincerity."

She said she had told supporters who urged her to run: "What on earth do I know about being president?"

Taking part in the interview were A.M. Rosenthal, executive editor of The New York Times, and Warren Hoge, the paper's foreign editor.

Mrs. Aquino, who says she is not a politician and became a candidate reluctantly, appeared uncertain about some of the key issues involved in the election.

"I'll have to admit to you, I'm

(Continued on Page 6, Col. 6)

Lange Says France Could Hold Agents

United Press International

WELLINGTON, New Zealand — In a surprising reversal, Prime Minister David Lange said Monday that two French secret agents imprisoned for manslaughter in the bombing of the Rainbow Warrior might be sent home before their sentences are finished if France promised to keep them in prison.

Mr. Lange linked the return of the agents to New Zealand's demands for \$16 million in compensation from France for the sinking of the Greenpeace ship in Auckland harbor on July 10. France sabotaged the ecology group's vessel to keep it from taking part in a protest against a French nuclear test.

Mr. Lange said Monday he could never negotiate "a release to freedom" for the agents. He had previously declared that the two agents would serve their 10-year sentences in New Zealand.

France admitted sending the agents, Captain Dominique Prieur, 35, and Major Alain Mafart, 35, to "lure up the boat." A Greenpeace photographer was killed.

Mr. Lange said that if his nation agreed to send the agents to France, "he would want to know that there are guarantees that they are going to be imprisoned."

Asked if their return would be bought at the cost of compensation like in New York, which are called, Mr. Lange said: "After all, I said now I have no doubt that I will be released."

He said it was "totally unrealistic" to talk about releasing the agents "anywhere in the near future."

"Longer term, I don't know what might happen there, but it would be a very long term," he continued. "And I want to tell you that this government is not prepared to negotiate a release to freedom of those two people under any circumstances."

U.S. Budget Cuts: Squeeze for GAO

By George Lardner Jr.
Washington Post Service

WASHINGTON — The General Accounting Office, which will have the final word on \$11.7 billion in cuts suddenly demanded by the new act to balance the budget, will have just five days, including a weekend, to deliver its verdict to the president.

"We'll just have to drop other work, but the problem isn't going to be finding enough bodies," the GAO's general counsel, Harry R. Van Cleve, said last week. "It's going to be finding enough people with the required skills."

Under the new legislation, already being challenged in court, the Office of Management and Budget and the Congressional Budget Office would do the initial work of calculating program-by-program spending reductions

under a complicated formula.

Their report, as one congressional summary puts it, "would contain all of the information needed to prepare the presidential order."

Reagan gambles that his visit to Capitol Hill will salvage tax procedure.

Under a 1976 Supreme Court decision, appointed officials exceeding "significant authority pursuant to the laws of the United States" must be appointed by the president. While the GAO is generally considered a congressional watchdog on the public purse, the comptroller general, unlike the director of the Congressional Budget Office, is a presidential appointee.

The GAO official said he has

reached a deal with the president.

Under the new legislation, the president is obligated to implement cuts set out in Mr. Bowsher's report. GAO officials said they were reluctantly envisioning such headlines as "Comptroller General Cuts School Lunches."

Such critics of the law as Alan B. Morrison, head of the Public Citizen Litigation Group, maintain that the GAO is simply meant to give a quick blessing to the cuts and cast "an attempted constitutional gloss" over the procedure.

"They've never done a thing with the budget," he said. "Now that they have three working days to review an extraordinarily complicated report with people who have no expertise in the field."

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Europe Balks at Accepting Lead Economic Role

By Paul Lewis
New York Times Service

PARIS — Once again, Western Europe is being urged to serve as "locomotive" for the world's economy. But its governments, scared by the problems that followed Europe's last time in the global leadership role, are balkling.

The pressure, coming from diverse quarters, is intense. The Reagan administration, the International Monetary Fund, the Organization for Economic Cooperation and Development and many policy-makers and academic economists are urging European nations to step up economic growth by lowering taxes and increasing government spending.

"Europe is not doing enough to fill the growth gap left by the U.S.," said Professor Richard Portes, who directs the Center for Economic Research in London.

Without greater vigor in Europe, it is feared, the slowdown from 1984's rapid growth rate in the United States will leave the whole Western economy growing at a dangerously slow rate in coming years. That would make it harder for the United States to cut its trade deficit and resist

protectionism. Sluggish growth in Europe also would hurt Third World exports and increase the risk of a new debt crisis, and it would push Europe's already high unemployment rate even higher.

So far, however, West Germany and Britain, the two countries best positioned to help the world economy grow faster, are refusing any significant relaxation of their present tight economic policies. The two countries argue that greater stimulation would sacrifice the progress they have made in curbing inflation and getting public spending under control.

In October, the European Community's Executive Commission urged economically stronger members such as West Germany and Britain to adopt more expansionary policies, including broad tax cuts and increased government spending. Otherwise, the commission warned, growth in Europe would be stuck at about 2.5 percent a year for the rest of the decade, with no significant fall in the EC's 11-percent jobless rate.

"A disorderly adjustment process in the U.S. and a worsening of the developing countries

debt problems would make the outlook even more gloomy," the commission added.

The consensus among economic forecasters is that the U.S. economy will slow from an unsatisfactory 6.8-percent rate of growth last year to around 3 percent this year and next. As a result, growth in the industrial world as a whole will fall from 4.9 percent in 1984 to 3 percent this year and in 1986. West Europe's contribution will be unchanged at about 2.5 percent in each of these years.

But the IMF, the OECD and many private economists believe that a 3-percent growth for the Western industrialized economies is the minimum needed to enable Third World countries to pay interest and principal on their debts, the United States to slowly correct its trade deficit and Europe to avoid a further rise in unemployment.

Further complicating matters is the agreement to devalue the dollar that was announced in September in New York by the United States, Japan, West Germany, Britain and France. A lower dollar would help make American goods

(Continued on Page 17, Col. 1)

From Gander, a Message to Crash Victims' Families

By Christopher S. Wren
New York Times Service

GANDER, Newfoundland — The driving snow had shaded but a bitter wind rattled the flags flying at half-staff when Gander's townspeople turned out to mourn the 256 Americans killed in last week's air disaster.

The Newfoundlanders, bundled against the cold, overflowed St. Martin's Anglican Pro-Cathedral, where the ecumenical service was held Sunday. When no more could fit in, they spilled down the street to St. Joseph's Roman Catholic Church to follow on a closed-circuit television.

They never knew the soldiers from the 101st Airborne Division who had filed sleepy-eyed before dawn Thursday into the transit lounge of Gander International Airport.

Then the soldiers bought homecoming gifts, sang impromptu Christmas carols, and phoned loved ones before embarking on the final leg of a flight back from six months of peacekeeping duty with the 11-nation force in the Sinai Peninsula.

The town woke to the explosion that lit up the woods beyond the runway when the DC-8 jetliner crashed after takeoff, killing all 248 soldiers and the eight crew members aboard. Investigators have yet

to determine what caused the crash, Canada's worst domestic aviation disaster.

The victims, who had been lying in a temporary morgue inside an airport hangar, were flown to Dover, Delaware, starting Monday.

The thousand or more Gander townspeople in reading responsive from Psalm 46, which refers to God as "our

"In Newfoundland, it's one way of a community working through a grieving process," the deputy mayor, Sandra Kelly, said in an interview earlier. "People always expect that when something happens, everybody hangs together here. The phone just kept ringing and people were asking, 'Are you going to do

died in the crash and offered solace to their families."

"In life they were our heroes, in death our loved ones, our darlings," he said.

"I know that there are no words that can make your pain less, or make your sorrow less painful; how I wish there were," Mr. Reagan told members of 135 families and several hundred soldiers who gathered in a hangar at Fort Campbell.

"But of one thing we can be sure: as a poet said of other young soldiers another war, they will never grow old, they will always be young," Mr. Reagan said. "And we know one thing with every bit of our thinking — they are now in the arms of God."

Then the president and Nancy Reagan personally comforted every family member. Moving slowly through the hangar, Mr. Reagan greeting them all with both arms outstretched, singing tributes to the fallen soldiers. His wife embraced family members.

The scene brought tears to soldiers of the 101st Airborne Division who had returned to the United States the week before.

■ Reagan Pays Tribute
David Hoffman of The Washington Post reported from Fort Campbell.

President Ronald Reagan paid tribute Monday to the soldiers who

Shultz Meets Kadar

U.S. Sees Chance Of Wider Contact With East Bloc

By Bernard Gwertzman
New York Times Service

BUDAPEST — Secretary of State George P. Shultz said Monday that East-West relations were now at "a very important moment" that could lead to a strengthening of ties between the United States and the Communist states of East Europe.

Following a meeting with Janos Kadar, the Hungarian leader, Mr. Shultz said that if Soviet-American relations continued to make progress, "in the normal course of events," he would expect to see more trade and cultural exchanges with Soviet bloc nations.

Mr. Shultz, for the first time on his three-nation trip to East Europe, noted the possibility for wider and more productive ties if meetings between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, produced concrete results.

A senior aide to Mr. Shultz said that Mr. Kadar and other Hungarian leaders stressed the role that an easing in Soviet-American relations would play in the ability of East Europeans to move more flexibly in international affairs.

In sharp contrast to his talks Sunday in Bucharest with President Nicolae Ceausescu, in which Mr. Shultz expressed U.S. concern about human rights in Romania and warned that Romania was in danger of losing its most-favored-nation trade status, Mr. Shultz praised the leadership of Mr. Kadar.

He said that he was sympathetic to Hungary's request that its most-favored-nation status be awarded on a longer term basis than the current annual extension. Hungarian officials complained, Mr. Shultz said, that under current U.S. law they could only be certain of retaining the preferential tariffs on a yearly basis.

This makes it difficult for Hungarian exporters and U.S. importers to engage in long-term planning because they cannot be certain that the tariffs will not be increased.

Mr. Shultz said that he assured his hosts that there was no danger of the United States revoking Hungary's trade preference.

In contrast, there are three bills pending in Congress to strip Romania of most-favored-nation status because of purported arrests and persecution of some Christian sects.

Mr. Ceausescu and Mr. Shultz agreed Sunday to set up machinery under which high officials in Washington and Bucharest would deal directly with charges that human rights were being violated in Romania, a senior U.S. official said.

Mr. Ceausescu, according to a U.S. official, denied there had been persecution of Christians. He asserted that the Romanian Orthodox Church was the savior of Romania during the long years of Turkish occupation and that Romania was a "Christian country."

He also criticized the United States for failing to provide Romania with high-technology products even though Romania is regarded by the United States as independent of the Soviet Union in foreign policy.

Romanian exports to the United States reached \$1 billion last year while U.S. exports to Romania were only about \$200 million. This gave Romania a huge trade surplus.

INSIDE

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■ Fearing a "raid" on the state's water, Utah has taken over a federal project. Page 3.

■ An opponent of Chancellor Helmut Kohl began his campaign in West Germany. Page 4.

■ South Korean leaders will pursue talks with North Korea in the new year. Page 5.

■ Economists said the United States would probably have slightly higher economic growth next year. Page 11.

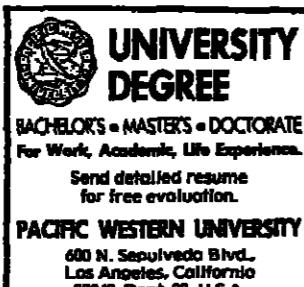
■ Midcon Corp., the pipeline company, is the target of a \$2.6-billion takeover bid. Page 11.

TOMORROW

Despite confusion about a U.S. space-based missile defense, the program is moving ahead with a momentum that will be hard to stop. The first of three articles appears tomorrow.

The Reverend James Reid passed the American flag to Army Specialist 4 James Burges of Philadelphia after the memorial service in Gander, Canada, for the crash victims.

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Angola Congress Indicates Soviet Ties Remain Firm

By James Brooke
New York Times Service

LUANDA, Angola — If the statements heard at a party congress last week are any indication, Angola is not about to lessen its ties to the Soviet Union or ease out 30,000 Cuban troops helping to fight a 10-year bush war against anti-Communist guerrillas.

The congress, the second held by the ruling Marxist-Leninist Popular Movement for the Liberation of Angola since independence from Portugal a decade ago, rang with speeches of bravura and defiance of the West.

President José Eduardo dos Santos warmly praised Havana and Moscow, and linked the United States and South Africa, his main external enemy.

"Wise circles of the United States of America persist in encouraging racist South Africa to continue an aggressive and destabilizing policy against neighboring countries," he said at the closing session.

He vowed that Angola would never again be "colonized or subjected to any form of domination."

Angola has become the focus of an important foreign policy decision for the Reagan administration. After a decade of noninvolvement in the Angolan civil war, Washington is considering providing open or covert aid to the anti-government forces of Jonas Savimbi, which control a large part of southern Angola.

Mr. Savimbi is openly supported by South Africa, whose apartheid regime is anathema to much of black Africa.

Washington has long been trying to negotiate a comprehensive peace agreement in southern Africa in which Cubans would leave Angola in exchange for a South African departure from South-West Africa. Pretoria rules that territory, also

known as Namibia, in defiance of the United Nations.

Reagan administration officials have said disbursement of aid to the rebels will be delayed until early next year, in hopes that the threat of aid will force Luanda to set a timetable for getting the Cubans to leave.

But the congress speeches indicated that the threat, so far at least, has only made the Angolan government cling more to the Cubans.

Some diplomats and others said they believed that Mr. Savimbi's National Union for the Total Independence of Angola, which is known by its Portuguese acronym, UNITA, has become so strong that

the ruling party would be toppled if it were not for the Cubans.

The weekly party congress, the first in five years, elected a new central committee, which will serve until 1990. It is dominated by army commanders.

Mr. Dos Santos, reading from a report prepared by the outgoing central committee, said:

"The Soviet Union with its material, moral, political and diplomatic support continues to be the dependable rear guard of all people who struggle for freedom and independence. Cuba's sons have irrigated our sacred soil with their blood and have supported, shoulder-to-

shoulder, with their Angolan broth-

ers, the defense of the conquest of the revolution against external aggressions."

He also said: "The racist state of South Africa has become the faithful guardian of the strategic interests of the U.S. in southern Africa."

In July the Angolans angered by the repeal of U.S. legislation preventing aid to Mr. Savimbi, suspended negotiations with South Africa that U.S. officials have brokered for three years.

In November, the talks resumed.

The chief U.S. negotiator, Chester A. Crocker, assistant secretary of state for African affairs, is expected to come to Luanda within a month.

But diplomats in Luanda ex-

pressed skepticism last week that the regional peace talks would lead anywhere.

"The Angolans see negotiations as a stalled operation to stave off aid for UNITA," a Western diplomat said.

An African diplomat said: "With the people elected to the new central committee, the Americans should expect a tougher stand."

Herminio Escrivão, general director of the state oil company, Sonangol, said, "How is it possible that U.S. companies can have important investments in Angola, and their government is ready to finance terrorist ready to destroy those U.S. assets?"

Although the United States does not have diplomatic relations with Angola, U.S. companies in cooperation with the state oil company produce about 70 percent of Angola's oil. Last year, the United States bought about half the country's oil production.

■ **Conservatives Plan Stand**

Conservatives plan to make aid for Angolan rebels their primary foreign policy objective next year, according to spokesmen for conservative lobbying groups. The New York Times reported Sunday from Washington.

A conservative strategist said: "Next year this will be the litmus test of the seriousness of the Reagan administration's commitment to the cause of freedom fighters."

Howard Phillips, chairman of the Conservative Caucus, said: "The real issue is whether we will permit the Soviet Union to replace South Africa as the dominant power in the region. It's a fundamental issue, and this is the moment of truth."

He added: "No politician will receive conservative support for the presidency in 1988 who's not right on this issue."

WORLD BRIEFS

Uganda Accord to Be Signed Today

NAIROBI (AP) — The Ugandan government and opposition guerrillas have completed work on a peace agreement and are to sign the accord Tuesday, Kenya's president announced Monday night.

President Daniel arap Moi, who has mediated off-and-on talks between the two sides since August, was flanked by leaders of the rival delegations as he made the announcement outside his office.

Mr. Moi early last week said the treaty would be signed Friday, only to have his plans thwarted by disputes between Uganda's military government and the National Resistance Army. But Monday night's announcement differed from the previous one in that it was made in the presence of Uganda's head of state, General Tito Okello, and the guerrilla commander, Yoweri Museveni.

Offer for UPI Might Be Withdrawn

WASHINGTON (WP) — A Mexican newspaper publisher, Mario Vazquez Rama, has threatened to withdraw his offer of \$41 million for United Press International unless a federal bankruptcy judge approves a merger between UPI and the news service.

An attorney for Mr. Vazquez, Leslie Nicolson, told Judge George F. Basson that the court's failure to approve the preliminary agreement would do "incalculable damage to UPI." Mr. Vazquez and a Houston financier, Joe Russo, agreed last month to purchase UPI. The news agency filed in April for protection under Chapter 11 of the Federal Bankruptcy Code.

EC Ministers Meet on Treaty Revisions

BRUSSELS (Reuters) — European Community foreign ministers met Monday to try to complete work on an agreement reached at an EC summit meeting in Luxembourg two weeks ago on revamping the group's 1957 founding treaty.

But despite an appeal from industrial leaders for rapid implementation of the accord, there appeared little hope of the deal being ready for signing in the near future.

Diplomats said that member countries still were divided over many issues and that it could take several months before governments signed the revised treaty, which then has to go before national parliaments for ratification. Ministers are wrangling mainly over a proposed minor increase in the powers of the European Parliament.

Belgium Arrests Bombing Suspects

BRUSSELS (Reuters) — The alleged leader of a group of Belgian guerrillas, Pierre Carette, was arrested Monday with three other suspects in the southern city of Namur, the justice ministry said. A statement by Justice Minister Jean Gol said all four were armed but did not resist arrest.

Mr. Carette is suspected of leading the extreme leftist Fighting Communist Cells, which have carried out 27 bomb attacks in the last 14 months on North Atlantic Treaty Organization, United States and Belgian establishment targets.

The statement said the others arrested were two men, Didier Chauvet and Bertrand Sasseye, and a woman, Pascale Vandegheide. It said some of the four were carrying forged identity papers.

Pierre Carette

Ex-Reagan Adviser Acquitted of Fraud

NEW YORK (AP) — Thomas C. Reed, a former adviser to President Ronald Reagan, was acquitted Monday of charges that he used inside information to make a \$427,000 profit in stock options, then fabricated documents to cover up his actions.

Mr. Reed, 51, became a special national security assistant to Mr. Reagan in 1982. He resigned in 1983 amid mounting criticism of his options trading.

The federal court jury in Manhattan acquitted Mr. Reed of one count of each of securities fraud, wire fraud and obstruction of justice. Conviction would have carried a maximum sentence of five years in prison on each count.

For the Record

French air controllers plan a one-day strike Friday at the start of the Christmas holiday period to back a claim for better pensions. (Reuters)

Milovan Djilas, 74, a former heir apparent to Tito and now the best-known Yugoslav dissident, was reported in a hospital Monday after suffering a heart attack and lung edema. His wife said he was out of immediate danger. (UPI)

The United States will continue economic aid to Ghana despite a strain on relations caused in November when a former CIA employee in Ghana pleaded guilty to giving a Ghanaian the names of CIA contacts in Ghana. The State Department said Monday.

The Senate confirmed Margaret M. Heckler as U.S. ambassador to Ireland on Monday. Mrs. Heckler, eased out as secretary of the Health and Human Services Department, was confirmed for the ambassadorship by voice vote.

Nigeria has suspended death sentences imposed for drug and trafficking during the government of Major General Mohammed Buhari while the cases are reviewed by a judicial tribunal, Lagos radio reported Monday. General Buhari was deposed in August. (Reuters)

A U.S. jury in Orlando, Florida, convicted two persons and acquitted four others Monday of conspiring to ship 1,140 U.S. anti-tank missiles to Iran. Those convicted are Paul Cutler, 47, and Charles St. Claire. (UPI)

The U.S. Supreme Court cleared the way Monday for an accused Nazi criminal, John Demjanjuk, 65, to be extradited to Israel. He is alleged to have helped kill 900,000 Jews at a death camp in Treblinka, Poland. (UPI)

Reagan Signs Bill On China Accord

WASHINGTON — President Ronald Reagan signed a bill Monday to put into effect an accord on peaceful nuclear cooperation that the United States and China agreed to last summer.

Mr. Reagan said in a statement that the agreement would have a "significant, positive effect" on relations between the two countries and would lead to a continuing dialogue on important nuclear energy and nonproliferation issues. It is also expected to mean billions of dollars in contracts for American companies.

Congressional negotiators earlier avoided a confrontation with Mr. Reagan by deleting provisions that White House officials had said would scuttle the pact. The agreement, which was signed last July, is limited to a general outline for the peaceful uses of nuclear energy.

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Requests for a N.Y. 'Santa': Pert Noses, Eye Lifts, Less Flab

By William E. Geist
New York Times Service
NEW YORK — It's Christmas time in the city. Children gaze wide-eyed into store windows, the aromas of roasting chestnuts and sidewalk Christmas trees fill the air, Santas ring bells on street corners and Dr. Elliot Jacobs' office becomes as busy as Santa's own workshop.

He's checking his list. Let's see, George wants a nicer nose, Josephine asks for a firmer chest and Maura wants an eye lift.

Dr. Jacobs, plastic surgeon, has been hard at work in recent days, performing all manner of augmentations, reductions, implantations, corrections and nips and tucks on scalps, foreheads, noses, eyes, ears, chins, throats, breasts, bellies, hips, thighs and calves.

There is no rest for the weary. Doctors take an oath. Dr. Jacobs' suction incision machine, which removes fat from abdomens, hips and thighs with a plastic hose — in a way that seems almost absurdly basic — whirs nearly incessantly during the holiday season, filling liter jars with fat.

This is the busy season for New York's rather substantial community of plastic surgeons serving the city's rather substantial cosmetic surgery needs — and providing the option with a relief valve for disposable income.

"People want to look their best for holiday parties," Dr. Jacobs said between operations in his office.

"A lot of the patients are also going on cruises or trips South," he said. "And before this rush has a chance to calm down, we'll be hit with students on Christmas vacations coming in for their nose jobs."

— Dr. Elliot Jacobs, plastic surgeon

which remove wrinkles in a matter of hours. Others spend \$3,500 for noses, up to \$7,500 for section liposuction and \$2,500 to \$5,000 for breast surgery.

Dr. Jacobs constantly answers the call for cleavage.

"Women need it for their holiday ball gowns," he said, noting that there is a trend to larger breasts among the redesigners of

women, although New York women tend to purchase some other smaller models than those in other parts of the country.

He said his patients sometimes carry in waving pictures of models they have torn out of maga-

zines, saying, "This is the nose I want." Sometimes they want the whole face. Some bring in pages torn from Playboy magazine showing breasts they would like.

"Bo Derek breasts and Michael Jackson noses have been very popular," he said. He is proud to say there is no single, readily identifiable Jacobs nose.

In his neighborhood, he said,

when he was growing up, it seemed like all of the teen-agers had either the "Diamond nose" or the "Goldman nose," named after the doctors who performed thousands of them, all variations of the scooped nose with the upturned tip.

His desk drawers are crammed with all sorts of silicone and inflatable implants, which he is delighted to pull out and demonstrate.

"Look at this," he said, whipping out a silicone chin implant and sticking it on his chin. "It comes with a dimple tool" (No extra charge.)

"Having had them, people tell me I look happier now," said the 32-year-old woman. "One of my friends said I was vain to do this, but now I think that she is a very sloppy person."

An Upper East Side woman said that she has had a nose job and facelift "among other things" but that lately her friends have told her that "maybe I am too too conventional-looking."

"I wouldn't mind a little character put back in my face," she added. "What do you think?"

FINLANDIA



FINLANDIA ON ICE



Utah, Fearing 'Raid' on Its Water, Takes Over U.S. Project

By Robert Lindsey
New York Times Service



SALT LAKE CITY — Utah residents voted overwhelmingly last month to spend \$335 million to finish a federally planned system of dams and canals on the Colorado River after being warned that if they did not, California would someday "raid" Utah's water resources.

Governor William J. Jenkins of Utah recently brought a bill before the U.S. Supreme Court asking to establish the principle at upstream states of the Missouri River have a right to take water from the river and sell it before the water flows downstream into Nebraska, Iowa, Kansas and Missouri.

The two developments are symptoms of a new phase in the battle over Western water that is taking shape as the nation passes from an era of huge federal water reclama-

tions, bucket, and then we've got it," said Paul C. Summers, assistant director of the Division of Water Resources in Utah, where a proposal by Denver entrepreneurs to divert water from the Colorado River to San Diego, almost 1,000 miles (1,600 kilometers) away, is causing much apprehension.

A cornerstone of Western water law is the "use it or lose it" principle; if the owners of water rights fail to exercise them for a "beneficial" use, the rights can be taken away.

Mr. Jenkins filed his lawsuit after state lawmakers persuaded a state court to block plans by a South Dakota water agency to sell water to a proposed coal slurry pipeline system.

"We're not saying we see water as a commodity as Saudi Arabia sees its oil," said W. Robert Nefeld, the state's secretary of water and natural resources, "but we

want to control our own destiny. If we can't control the water in the state of South Dakota, we'll essentially find ourselves a colony of the rest of the country."

On Nov. 5, more than 72 percent of the voters in a 12-county area in and around Salt Lake City approved taxing themselves \$335 million over the next 50 years to complete a major segment of a reclamation system known as the Central Utah Project.

Voters were warned that if they did not agree, Congress would kill the project and in time California would take much of the water allocated to Utah under a 1922 interstate compact that apportioned Colorado River water.

"There's a fairly broad perception, mistaken or otherwise, to many people in the state, that California is stealing our water," Mr. Summers said.

The state's efforts to secure more

control over water within their boundaries is occurring at a time of rapid change in federal policies and regional attitudes regarding the development of water resources in the West.

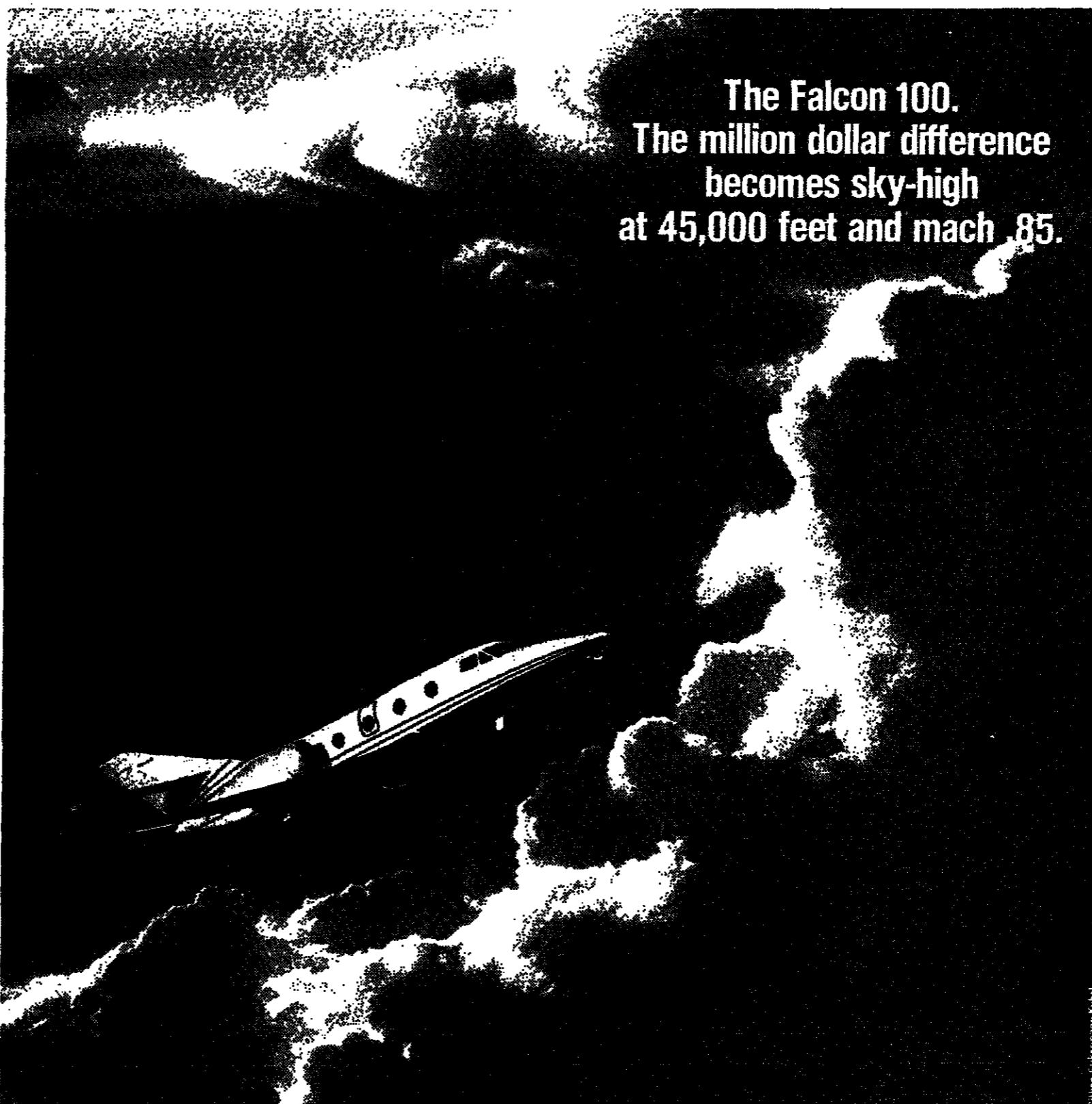
On Nov. 15, the first segment of the \$3.5 billion Central Arizona Project was opened, bringing water from the Colorado River to the growing city of Phoenix and diverting water formerly allocated to Southern California.

Many officials say they believe the Central Arizona Project is the last of the big federal water reclamation projects that have transformed the region in the past century.

"Federal water policy is moving very rapidly toward cost sharing by the states and pricing water at market rates," Governor Bruce Babbitt of Arizona said. "It's going to be a very tortured transition, but it's under way."

The state's efforts to secure more

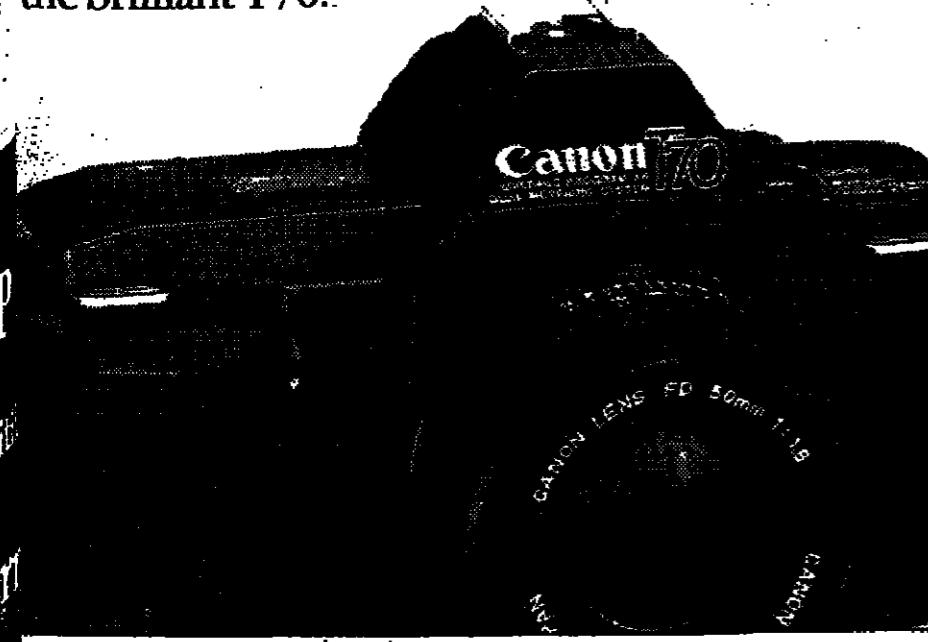
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Business takes off with Falcon

Cherokees, Altering Another Tradition, Elect Woman Chief

By Robert Reinhold
New York Times Service

TALLEQUAH, Oklahoma — A woman who began life 40 years ago as the daughter of a full-blooded Cherokee father and a white mother has been installed as the first woman to be chief of a major American Indian tribe.

She is Wilma P. Mankiller, and she was sworn in as principal chief of the Cherokees in a brief ceremony Saturday before the 15-member tribal council. The Cherokee Nation of Oklahoma is the second-largest Indian tribe in the United States after the Navajo.

Afterward, she promised to continue the tribe's economic development efforts and declared that resentment of her among some tradition-minded Cherokees had abated. Her people, she said, "are worried about jobs and education, not whether the tribe is run by a woman or not."

The ceremony, which took place in the plush council chambers, was without Indian ritual. Chief

Mankiller wore a simple black suit and carried a Bible.

According to the National Tribal Chairmen's Association, there are at least 29 women who lead Indian tribes. But none has ever before led a tribe as large as this one.

The Cherokee Nation has 67,000 registered members, most of them living in 14 counties in northeastern Oklahoma. A separate smaller Cherokee tribe remains in North Carolina.

Chief Mankiller was automatically elevated from deputy principal chief when Ross O. Swimmer, the tribe's principal chief for 10 years, resigned to become assistant secretary of the interior for Indian affairs. He was sworn in Friday in Washington and will head the Bureau of Indian Affairs.

Mr. Swimmer, a Republican, has pushed to make Indians less dependent on the federal government.

Although Chief Mankiller is a liberal Democrat who has taken part in Indian protests, she said she

planned to "stay on the same path." She will serve the remaining 18 months of Mr. Swimmer's four-year term.

Under the leadership of Mr. Swimmer, a lawyer and banker, the tribe opened numerous businesses, including a motel and restaurant, greenhouse, a cattle and poultry ranch and an electronics manufacturing concern. Assets have grown to \$23 million.

Tribal headquarters is in a modern complex here in Tahlequah, the Cherokee's original Oklahoma capital. The tribal government's principal function is to administer \$20 million in annual federal and state assistance for health, housing and education programs for Indians.

Despite large philosophical differences with her, Mr. Swimmer chose Miss Mankiller as his running mate in 1983.

She was born in the tiny community of Rocky Mountain, Oklahoma, but her family moved to San Francisco when she was 11. Indian protests

there reawakened her interest in her ethnic roots.

She divorced her husband, an Ecuadorian in

1974 and moved back to Oklahoma, using her

college and graduate school training in social work

to help the tribe.

She lives simply in a small wooden home, with

three dogs and many books on philosophy and

economics, on Mankiller Flats in Rocky Mountain.

She said Saturday that one of her major tasks

would be to find new sources of income to replace funds lost to cuts in the federal budget. At a news conference, she said she would like to attract "responsible businesses" with "good environmental records."

However, just as Mr. Swimmer did, she said she

would not resort to bingo games, as some other tribes have.

"I really don't think bingo will provide a stable

economy for our tribe," she said. "I would rather do things that would last a long time."



Wilma P. Mankiller, principal chief of the Cherokees.

DC-8 Veered, Lost Speed Before Crash at Gander

The Associated Press

GANDER, Newfoundland — Canadian investigators said Monday that the chartered DC-8 that carried 248 U.S. soldiers and eight crew members to their deaths last week reached an adequate speed before takeoff, then suddenly veered right and lost speed steadily until it crashed.

Peter Boag, investigator for the Canadian Aviation Safety Board, said that analysis of the plane's flight data recorder showed that the four-engine Arrow Air aircraft reached a peak speed of 190 miles per hour (305 kilometers per hour) during the one minute and 40 seconds that elapsed from the time it

was positioned on the runway ready to take off.

[Ken Johnson, the investigation coordinator and director of the safety board, said that sabotage and fuel contamination had been ruled out, Reuters reported. He also reiterated that the plane's load was within the limits prescribed for the airplane.]

[What we expect is a painstaking, long tedious kind of investigation," Mr. Johnson said. "It'll take us some time before it's over, several months.]

Mr. Boag said the flight data recorder provided some details of what happened during takeoff, but did not explain why the plane crashed.

[It will help us in determining the cause, but certainly at this stage it doesn't tell us the cause," he said. "It's a very difficult investigation, because of the catastrophic destruction of the aircraft, because there are no survivors," Mr. Boag said.

He said he had not pinned down at what point during the brief flight the jet began slowing down and

changing direction about 20 degrees to the right of its normal path. He also said he was not yet sure what peak altitude the plane achieved.

Meanwhile, the first 20 coffins carrying the remains of the dead soldiers were flown Monday to Dover Air Force Base in Delaware for autopsies.

The servicemen were members of the 101st Airborne, bound for Fort Campbell, Kentucky, and home after peacekeeping duties in the Sinai Peninsula.

Mr. Boag said the post mortems would help establish exactly how, and perhaps why, the plane crashed.

Mr. Boag said he was optimistic that the safety board could determine the reasons for the crash after considering a report he will prepare and testimony at public hearings in Gander early next year.

Miami-based Arrow has said it follows all U.S. regulations, but officials of the Sini peacekeeping force, which polices the withdrawal of Egyptian and Israeli troops under the two nations' 1973 peace

treaty, has suspended use of the carrier pending the outcome of the investigation.

■ **Boston Incident Investigated**

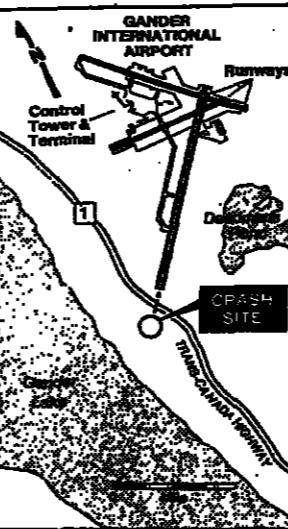
U.S. inspectors began an investigation Monday to learn why parts fell off a British Airways 747 and hit a house and a car just before the jet landed Sunday at Boston's airport. The Associated Press reported.

No one was injured and Flight 215 from London, with 254 passengers and a crew of 17, landed safely Sunday at Logan International Airport.

Two sections of the left wing flaps ripped off, and one fell into Massachusetts Bay. The second hit the roof of a house and then fell onto a parked car.

The flaps are extended during takeoff and landing to give the aircraft added lift.

When the jet was inspected at the airport, authorities also found that an engine tail cone was missing, according to Nick Lambert, spokesman for the Massachusetts Port Authority, which operates the airport.



Broken line shows path of DC-8. It crashed less than a mile after end of runway.

British Airways officials said Monday in London that they were conducting their own investigation of the incident, but would not make extra checks of its 747 fleet.

Kohl's Opponent Opens Campaign

Johannes Rau Promises Fairer Society in West Germany

Reuters

ARLEN, West Germany — Johannes Rau, the Social Democratic Party candidate, began his campaign Monday to remove Chancellor Helmut Kohl from power with a pledge to create a fairer society.

Speaking at a party rally to open his challenge for the chancellorship in January 1987, Mr. Rau, 54, pledged measures to tackle unemployment and said he would be open to dialogue and compromise with all sections of society.

Mr. Rau also pledged immediate action to try to reduce nuclear arms in Europe, but he also declared a firm commitment to the North Atlantic Treaty Organization.

"I am ready and I want to be the chancellor of all men and women," he said at a gathering of Social Democratic Party officials. He urged moderate voters to desert the governing center-right coalition.

In a bid to reverse the party's steady decline in opinion polls, Mr. Rau warned voters that if the Christian Democratic Union, Mr. Kohl's party, were returned to power it would pursue a far more rightist course than at present.

He said Mr. Kohl's party would bring about a divided society of privileged and poor.

A poll published Monday in the mass-circulation daily Bild said 45 percent of voters preferred Mr. Kohl as chancellor while 44 percent backed Mr. Rau. It was the first time Mr. Kohl has edged ahead this year.

Mr. Rau said at the rally in Arlen, a small town near the northwestern city of Dortmund, that he was still convinced he could attract majority support.

"The CDU has lost the will for compromise and moderation," he said. "I see in this the political obligation and chance to offer a new home to those who can no longer feel at home with the Christian Democrats."

Mr. Rau said he would introduce an income tax levy on people earning more than 60,000 Deutsche marks (\$23,840) a year to finance job creation projects. He also pledged to cut the standard working week in industry in order to create more jobs.

Mr. Rau, who is premier of the state of North Rhine-Westphalia, made a bid for the female vote by saying women suffered from big disadvantages, and undertook to support them in the job market.

He promised to enforce tighter pollution restrictions on industry and tax the use of environmentally harmful herbicides.

In a clear attempt to soothe the fears of moderate voters suspicious of the growing power of the left wing of the Social Democratic Party, he said he would not feel bound by party resolutions.

The party has adopted a policy opposing deployment of U.S. missiles in West Germany, but Mr. Rau said only that he would try to "negotiate away" both American and Soviet missiles.

"As chancellor I would immediately launch an initiative in our alliance and towards the Soviet Union in order to break through the vicious circle of rearmament in Europe," Mr. Rau said.

■

Iraqi and Soviet Leaders Meet on Mideast Conflicts

Reuters

MOSCOW — President Saddam Hussein of Iraq, on his first visit to Moscow for seven years, discussed the Gulf war and the Middle East conflict on Monday with Mikhail S. Gorbachev, the Soviet leader, and President Andrei A. Gromyko.

The official Tass news agency said that Mr. Hussein covered the topics in Kremlin talks after arriving on a previously unannounced working visit.

A third major difference concerns international guarantees for a reunified Cyprus. Although Mr. Kyprianou was noncommittal on that issue Wednesday, Mr. Papandreu has said that Athens would not accept Ankara as a guarantor.

Or a possible formula that would not include Turkey, Mr. Denktaş said. "We don't even look at it."

Explaining Mr. Pérez de Cárdenas' optimism, a well-placed diplomat said that Turkey was exerting pressure on Mr. Denktaş to reach an agreement. Turkey's occupation of northern Cyprus troubles the United States and West European nations, and its economic plight makes better relations with its allies a pressing need.

Moscow has taken an evenhanded position on the war, but supported Iraq with the majority of its weapons.

Tass said that Mr. Hussein had a brief meeting with Mr. Gorbachev after a longer session with Mr. Gromyko. It gave no details but said the atmosphere was frank, businesslike and friendly. In Soviet jargon, the formulation implies a substantial measure of disagreement.

Reporting on the talks with Mr. Gromyko, Tass said that the two

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Big Turnout, Calm Mark Post-Accord Assam Vote

United Press International

GUWAHATI, India — Ballotting in Assam on Monday drew the biggest turnout in the history of the northeastern state, and there appeared to be no trace of the ethnic violence that left nearly 4,000 people dead during the last polls two years ago, officials said.

Voters formed long lines at polling booths throughout the state, including areas dominated by Bengali-speaking Moslems immigrants who were the main targets of the violence.

"Assam is witnessing for the first time a heavy turnout," said the election officer, P.C. Mishra.

He estimated that about 80 percent of the state's 9.8 million registered voters cast their ballots before the deadline Monday evening. Results were expected by late Tuesday.

The election follows an accord

achieved Aug. 15 between Prime Minister Rajiv Gandhi and Assam protesters. The Assamese agreed to end a six-year campaign for a government promise to resettle two million immigrants, mostly Moslems, who have settled in Assam since 1971.

About 200,000 other immigrants to enter between 1965 and 71 will lose the right to vote.

The high turnout appeared to reflect widespread support for the Assam Gana Parishad, a party formed by Assamese students. A student boycott of the 1983 election had helped keep the turnout to 3 percent and had provoked a massacre of Bengali immigrants who defied the boycott.

Analysts say the Assam Gana Parishad poses a serious threat to Mr. Gandhi's Congress (I) Party, which has ruled Assam for 32 of the last 38 years. The election will decide 124 state assembly seats and 4 seats for the national Parliament.

Two months ago Mr. Gandhi's party lost power to the moderate Ikhli party, Akhil Dal, in elections in Punjab.

Political analysts predicted that voting would be divided mainly along ethnic lines, with most of the voters among the state's 8.5 million Hindus choosing the Assam Gana Parishad and the voters among Assam's 5 million Moslems divided between Congress (I) and the newly formed United Minorities Front.

Moslem leaders have commented that it does not specify here the expelled immigrants will go when they leave Assam. Bangladesh already has said it will not let them back.

Africa's Bumper Crop Could Threaten Farm Prices

By Blaine Harden

Washington Post Service

NAIROBI — African countries plagued by drought have undergone a "spectacular" transformation in the past year as good rains have produced record harvests across much of the continent, according to a statement released here Monday by the head of the United Nations Food and Agriculture Organization.

However, the agency's director-general, Edouard Saouma, warned that the bumper crop, combined with expected deliveries of millions of tons more of outside relief food, could flood grain markets in Africa and sharply reduce prices paid to farmers.

Mr. Saouma has appealed to donor countries to help prop up prices by buying some of Africa's record grain surpluses and giving it to other needy African countries.

A senior economist for the FAO said Monday that the United States, which accounts for more than half of the relief food pledged for Africa next year, has shown little interest in giving financial aid to redistribute the food Africa produces.

"While donors have generously supplied food and emergency aid," Mr. Saouma said, "they have been rather less interested in providing agricultural inputs. Emphasis still remains on feeding the person, not on recovery. We have to build a bridge from emergency to a sustained development. Without rehabilitation assistance, Africa risks becoming irreversibly dependent on food aid."

■ 6 Critical Countries

The following synopses by the FAO of the food situation in the remaining six critical countries was reported by United Press International from Nairobi:

• Ethiopia (population 40 million): The government's relief and Rehabilitation Commission estimates that 5.8 million people will be in need of food aid next year including 1.7 million in the northern provinces of Tigre and Eritrea and 2.1 million in the central Shoa and Wollo provinces.

Good rains have provided a "reasonable" harvest of 5.8 million tons of grain but, because of war and the inability to get seeds to Tigre and Eritrea, the rains went to waste in those two provinces.

The FAO estimated needs to be 900,000 tons. Pledges for 1986 amount to only 300,000 tons.

• Sudan (18 million): The country reported a record harvest of 4.6 million tons of grain up from

1.5 million tons last year and almost double the last five year's average of 2.6 million tons.

Despite the bumper crop, however, nearly a million people in Kordofan and Darfur provinces in the west still face a serious starvation threat. There was no rain in the two areas.

Emergency relief aid requirements for next year are 400,000 tons, down from last year's 1.4 million tons.

• Mozambique (10 million): The situation remains critical, with 2.6 million people facing a serious starvation threat. Civil war has brought farm production to a virtual standstill. Only 100,000 tons of grain were harvested locally, leaving a food aid requirement of half a million tons.

• Angola (7 million): About 2.5 million people still face starvation next year, according to the FAO. War continues to cripple farm production and food import requirements for next year are estimated at 70,000 tons, up from 65,000 tons last year.

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Seoul Officials to Pursue Talks With North in '86

By Clyde Haberman

New York Times Service

SEOUL — After more than a year of unusually steady and even amicable negotiations, South Korean officials say that no substantive progress has been made with North Korea on possible two-way trade and large-scale exchanges of families separated by war.

Despite the pessimistic assessment, however, officials say that they are not disappointed and that they will pursue talks with the North into 1986.

"We did not anticipate that any rapid progress would be made," said South Korea's foreign minister, Lee Won Kyung.

"It will take a very, very long time," he said. "But this is the best way to keep North Korea under control and to ease tensions of the Korean peninsula."

Since late 1984 the two Koreas have had more contact, on a wider range of issues, than at any point since they signed an armistice ending the Korean War in 1953. They have discussed possible economic cooperation, family reunions, joint sports ventures and discussions between lawmakers.

The mere fact that the countries are able to talk civilly borders on the remarkable, given the vituperation that has dominated the relationship over the years.

They can even point to a few small successes. Most conspicuous were the border crossings that 50 Koreans from each side made in September for brief visits with relatives not seen since the early 1950s.



Lee Won Kyung

dent, Chun Doo Hwan, and the North Korean leader, Kim Il Sung. A senior member of North Korea's Workers Party, Ho Dam, is believed to have visited Seoul in September to discuss such a top-level encounter. Recent accounts from Seoul and Tokyo suggested that South Korea's intelligence chief, Chang Se Dong, traveled to Pyongyang on a similar mission.

South Korean officials and well-placed foreign diplomats have tended to avoid direct comment on these reports of high-level exchanges. But they insist that no summit meeting has been set, and a Western diplomat said he thinks that both sides have "backed off" from the idea as being premature.

Although reading North Korea's intentions is difficult, many South Koreans say they believe that Pyongyang — diplomatically isolated and economically pressed — wants only to give an appearance of improved relations in the hope of eventually sparking contact with the United States, Japan and Western Europe.

Others are not so sure, however, that the North's motives are sincere. One person familiar with the Red Cross talks said he had detected a genuine desire by the Pyongyang negotiators to reach an agreement that would permit family exchanges.

Still, the more prevalent view in Seoul is that North Korea's "smile diplomacy" is a tactic to camouflage the fact that it has built up its forces along the highly fortified Korean demilitarized zone.

South Korea's concern is not so much a full-scale invasion as the prospect of small military encounters at the border and perhaps terrorist acts deep into southern territory.

According to senior officials, South Korea will become increasingly vulnerable to attacks as it draws closer to the 1988 Olympic Games, which will be held in Seoul.

Nuclear Industry Assailed in U.K.

Reuters

LONDON — British legislators have compiled a highly critical report of Britain's nuclear industry and its handling of dangerous radioactive waste, The Times of London reported Monday.

The report, now in its draft stage, expressed deep concern at the risks of reprocessing spent nuclear fuel, the dumping of nuclear waste at sea and the industry's lack of public accountability, The Times said.

The document said that Britain's nuclear industry is "virtually light years" behind those in other countries in dealing with the safe disposal of waste, placing far too much reliance on research taking place abroad, the newspaper reported.

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Israelis Suggest Syria Can Keep Missiles if They Pose No Threat to Planes

By William Claiborne
Washington Post Service

JERUSALEM — Israeli leaders sought Monday to play down Syria's deployment of surface-to-air missile batteries close to the Lebanese border, suggesting that Syria could keep the SAM-2 weapons where they were as long as it did not use them against Israeli reconnaissance aircraft.

Defense Minister Yitzhak Rabin said there was no compelling political or military objective at present that would justify Israel attacking the medium-range surface-to-air missiles on Syrian soil.

"Without an aggressive attack" by Syria, he said in a speech, "there is no meaning in pressing for an initiative of war."

He said that the introduction of sophisticated weaponry into the Middle East had precluded "easy and pointless wars," and stressed that Israeli military preparedness should be geared to swift reaction to aggression.

Senior Israeli officials confirmed

earlier that Israel had conveyed through U.S. diplomatic channels a warning to Syria to remove smaller SAM-2 and SAM-3 weapons that had been deployed in Lebanon's Bekaa Valley on the Beirut-Damascus Highway.

Mr. Rabin's remarks were considerably more guarded than warnings issued Sunday by officials of the Israeli military command, who spoke of an "extremely dangerous situation" and drew a parallel between the Syrian missile deployment three weeks ago and a similar move in the spring of 1982.

At that time, Israeli warplanes attacked Syrian missile batteries along the Lebanese border. Those attacks preceded the June 6, 1982, Israeli invasion of Lebanon.

The Israeli Army command announced Sunday that the Syrians had moved three concentrations of SAM-2 weapons close to the Lebanese border, thereby curtailing the Israeli Air Force's ability to conduct high-altitude reconnaissance aircraft flying over Lebanon.

The suggestion was that overflights would continue, although Israeli military sources refused to confirm this.

Abbe Eban, chairman of the Foreign Affairs and Defense Committee in the Knesset, Israel's parliament, said Monday that there would be no justification for Israel attacking the missile bases now.

"We have to put up with the fact that other people have sovereign territory in which they can do what they like," he said on state radio, "and one cannot possibly have any influence on what sovereign countries do in their territory."

He said he saw no evidence that Syria was seeking a military confrontation with Israel.

■ Reaction in Syria

The government-controlled press in Damascus said Monday that Syria would not be intimidated by what it said were renewed military threats from Israel. Reuters reported.

The comments followed a statement Sunday by the Israeli Army chief, General Moshe Levy, that Syria had moved SAM-2 weapons to its border, posing a threat to Israeli flights over Lebanon.

He said the missiles were moved in after Israeli reconnaissance planes shot down two Syrian MiGs on Nov. 19.



Yitzhak Rabin

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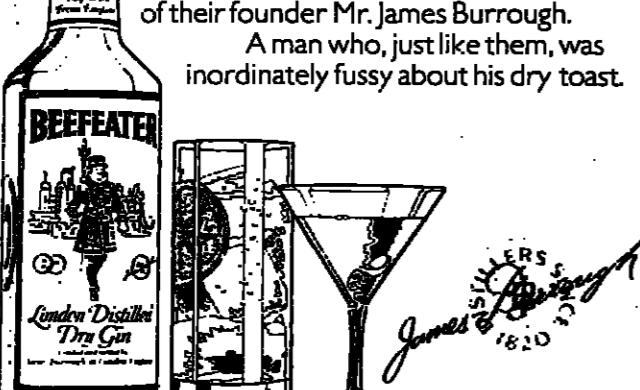
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Which is undoubtedly what prompts them to raise their glasses to the memory of their founder Mr. James Burrough.

A man who, just like them, was inordinately fussy about his dry toast.



6 Afrikaners Killed by Mine Near Zimbabwe

(Continued from Page 1)
conducts raids into South-West Africa, also known as Namibia, in a campaign to end South African rule of the territory in defiance of the United Nations.

General Malan interrupted a vacation to fly to the scene of the explosion, where the news agency reported him as saying, "It is clear that the ANC is going out of its way with this sort of action to force a conflict between South Africa and its neighbors."

Foreign Minister R.F. Botha said the government was "urgently approaching" Zimbabwean authorities in connection with the land mine explosion, with an aim of

"removing the threat of violence."

The explosion caused what was believed to be the largest white casualty toll in a single incident since a car bomb killed 19 persons and injured about 200 in Pretoria in May 1983.

According to unofficial lists, the deaths brought to 1,000 the number killed in more than 15 months of unrest against apartheid, the government's system of legalized race separation.

Military headquarters in Pretoria, the South African capital, said in a statement Monday that the casualties were members of two families and that four of those killed were children under the age of 10. The other two were women.

The press association said the explosion occurred three kilometers (two miles) from the border and 30 kilometers from Messina, a mining and farming town. It said six land mines killed one person and injured seven, including five soldiers, in the same area last month.

News of the deaths spread across South Africa on the Day of the Vow, an Afrikaner holiday marking the defeat of a large Zulu tribal force by outnumbered white pioneers at Blood River in Natal province on Dec. 16, 1838.

■ New Incursion Reported

South African forces have again advanced deep inside Angolan territory, a special correspondent for the Mozambican news agency AIM reported Monday from Ongava, near the Angolan-Namibian border. Agence France-Presse reported from Maputo, Mozambique.

The report quoted Captain Jose Pascoal, an Angolan officer, as saying in Ongava that the South African advance had taken place since Thursday.

He said the missiles were moved in after Israeli reconnaissance planes shot down two Syrian MiGs on Nov. 19.

Marcos Acknowledges Split in Military

(Continued from Page 1)
Otherwise, I'm going to kick out everybody and put in new men."

The president said he told his generals he was concerned about some "lapses in intelligence and discipline."

Taking part in the interview, which was conducted at Malacanang Palace, were the executive editor of The New York Times, A.M. Rosenthal, and the foreign editor, Warren Hoge.

The United States had pressured Mr. Marcos not to reinstate General Ver and now is pressing for his early removal, saying the return of a man who is seen as symbolizing political patronage in the armed forces would set back efforts for reform.

Mr. Marcos has hinted that the reinstatement of General Ver is temporary, but has declined to say definitely that he would be removed.

Asked if General Ver would retain his post through elections scheduled for Feb. 7, Mr. Marcos declined to be specific, saying, "I doubt it. I would like to settle this problem as soon as possible, and when I say as soon as possible, it may happen next week. It may happen the week after that."

He implied that General Ver would stay on as a consultant even if he were removed from his command.

At one point during the interview she said she could remember only one of the two key issues on which her backers and those of her running mate, Salvador H. Laurel, have not yet reached agreement.

She said one issue was the two large U.S. military bases here. She said she favored the removal of the bases but that that would depend on other issues, such as she declined to name, after the bases agreement expires in 1991.

She seemed to be uncertain of the implications of her threat to put Mr. Marcos on trial if he loses the election, and modified her position in the course of the interview.

After a previous report that she might want to put him on trial, the president responded that such a course might mean war between his followers and hers.

"So what will I say," Mr. Marcos said, "you can go ahead and run even if you win I'll be so kind?" she said when asked to clarify her position. "I cannot say that. I think he will be given due process of law. He will be given justice which was denied my husband. Can't we leave it at that? You really want Marcos to shoot me, don't you?"

Her husband, Benigno S. Aquino Jr., a popular opposition leader, was assassinated in 1983 as he returned to Manila after three years of self-imposed exile in the United States.

Twenty-six defendants, all but

one of them military men, were acquitted so that he could recover his honor and good name, and offered to resign the same day.

"I said, 'No, you've got some problems to settle, because of course there was a confrontation on policies,'" he said.

On other subjects, Mr. Marcos said:

• Western worries about advances in guerrilla activities are exaggerated, probably because foreign analysts are not familiar enough with the situation.

• Despite official assurances to the contrary, some Americans have

become actively involved in supporting the political opposition headed by Corazon C. Aquino, Mrs. Aquino's widow. After suggesting that the U.S. Central Intelligence Agency might be among these people, he said, he had received assurances that there would be no financial support for anyone.

• Reacting to a statement by Mrs. Aquino that she probably would put him on trial for her husband's murder if she wins the election, Mr. Marcos said, "I realize she has nerve, but this is a little bit much."

If She Is Elected, Aquino Asserts, Marcos May Be Tried for Murder

(Continued from Page 1)
getting so many crash courses at this point in my life," she said.

During a campaign rally Sunday, attended by an estimated 20,000 supporters, Mrs. Aquino made her first public campaign pledge.

"If you elect me president I will not live in Malacanang," the presidential palace, she said. "I will hold office there, but I will live in my own house, and I will give the place to the people."

At one point during the interview she said she could remember only one of the two key issues on which her backers and those of her running mate, Salvador H. Laurel, have not yet reached agreement.

She said one issue was the two large U.S. military bases here. She said she favored the removal of the bases but that that would depend on other issues, such as she declined to name, after the bases agreement expires in 1991.

She seemed to be uncertain of the implications of her threat to put Mr. Marcos on trial if he loses the election, and modified her position in the course of the interview.

After a previous report that she might want to put him on trial, the president responded that such a course might mean war between his followers and hers.

"So what will I say," Mr. Marcos said, "you can go ahead and run even if you win I'll be so kind?" she said when asked to clarify her position. "I cannot say that. I think he will be given due process of law. He will be given justice which was denied my husband. Can't we leave it at that? You really want Marcos to shoot me, don't you?"

Her husband, Benigno S. Aquino Jr., a popular opposition leader, was assassinated in 1983 as he returned to Manila after three years of self-imposed exile in the United States.

Twenty-six defendants, all but

one of them military men, were acquitted so that he could recover his honor and good name, and offered to resign the same day.

"You don't have to be so nervous because, my goodness, we are the underdogs," she said.

■ U.S. Accused of Interference

A senior Philippine cabinet minister accused the United States of interfering in Philippine politics and said Washington supported the opposition ticket for February's presidential election. Reuters reported from Manila.

Labor Minister Blas F. Ople and the U.S. Congress had "any number of resolutions that practicalize and legitimize that intervention. These are all undoubtedly highly visible signs of intervention in our politics."

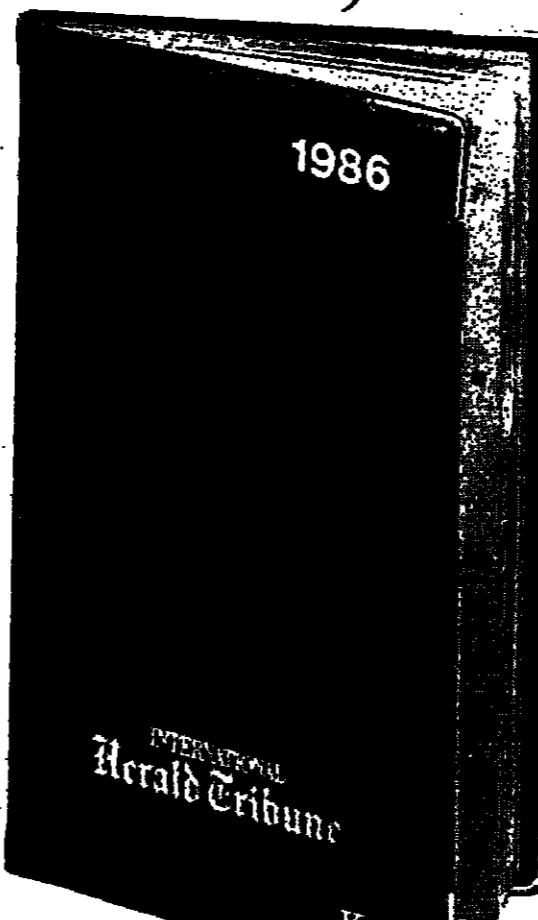
"I think there is no mistaking the fact that American authorities, working visibly or otherwise, are pressing their support for the Corazon Aquino-Salvador Laurel ticket," Mr. Ople said.

Police in West Germany Break Up Protest Camp

WACKERSDORF, West Germany — Riot police and units of the paramilitary frontier guards broke up a camp of anti-nuclear protesters Monday near the Czechoslovak border and briefly rounded up about 800 demonstrators.

Witnesses said there were six flights as 2,000 police formed a human chain around the camp and climbed over log barricades studded with nails to surround the protesters. Protesters were arrested and set free a short time later. They could later face charges of obstruction. The demonstrators had refused to leave the area, the planned site of West Germany's first nuclear reprocessing plant.

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dominated the race. Neither had serious problems with their cars, though only 8 of 50 starters finished. Once again, these superbly strong, reliable Celicas proved the championship quality and technological superiority of Toyota in world class competition.

TOYOTA

INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

Terror Denounced at Last

The United Nations has just concluded a decade-long effort to condemn terrorism. Why was it so hard to speak out clearly against hijacking airliners, bombing buses and murdering civilians? Because a leading perpetrator of these crimes, the Palestine Liberation Organization, is a potent force in the General Assembly. It wrapped them in the cloak of a struggle for self-determination against Israel and, by extension, the United States.

What broke the PLO's intimidation of its customary protectors, the Communist-plus-Third World majority? The PLO is widely recognized now as a principal actor in international terrorism. Its role in hijacking the Achille Lauro was merely its most conspicuous recent embarrassment — so much of one, in fact, that Yasser Arafat was subsequently compelled to condemn acts against innocent and defenseless people, unless — his cynical exception — they are Israelis.

As terrorism has increased, moreover, so has the number of nations victimized by it. So long as Israelis were the main target, many other nations bought the PLO's argument that the "underlying cause" of terrorism is Israeli oppression. But how to explain such deeds of kidnapping of four Soviets, and the murder of one, by crazies in Beirut? It turned out that the PLO was popularizing not so much the Palestinian cause as the terrorist example, teaching

its methods to those with other purposes, extending its reach and hurt, in an awful sense scuzzing and democratizing it.

Thus was created a constituency ready to say, with no ifs, ands or buts, that terrorism is bad. Cuba tried to muddy the issue by working in a condemnation of "state terrorism" — Assembly-ses for Israel and the United States. The British and the Americans, furthering a campaign to get other nations to deepen their commitment against terrorism, replied that there was no shortage of legal instruments condemning questionable acts committed by states, but that what was needed was an instrument to counter terrorism committed by groups and individuals, a phenomenon otherwise hard to pin down by law. In committee, Cuba's proposition got one vote: Cuba's.

On Dec. 9, the whole Assembly condemned "as criminal all acts, methods and practices of terrorism wherever and by whomsoever committed." The adoption, said a UN document, "was followed by applause from the representatives." It was earned. Secretary-General Javier Pérez de Cuellar said this was how the UN system was supposed to work: nations uniting in solidarity on universal problems.

It is a long way from word to deed, but saying the right word is important and, finally, on terrorism, the United Nations has said it.

— THE WASHINGTON POST.

Uganda's Slide Continues

Uganda is disintegrating. Civil order in the one-time pearl of Africa has broken down. A rebel army is closing in on Kampala, where food supplies have been cut off, education has been halted and private armies stalk the streets. Colonialism, tribalism and the legacy of Idi Amin are taking a cumulative toll.

How could a once prosperous society fall so far? The answer has to begin with Milton Apollo Obote, who led Uganda to independence and twice served as president, from 1962 to 1971 and from 1980 to 1985. Despite his generally competent economic management, he permanently alienated the largest tribal group, the Baganda, by sending troops against them in 1966. His second term began with a rigged election and was stained by the widespread killing of civilians by an undisciplined

army. This year that army finally ousted him.

The years between Mr. Obote's regime belonged mostly to the monstrous Idi Amin, who turned mass murder into a policy. Under Mr. Obote and Mr. Amin, probably one of every 20 Ugandans were killed — more than half a million. In recent months what passes for power has been held by a military council combining collaborators of and rebels against Mr. Amin and Mr. Obote. But the main rebel leader, Yoweri Museveni, has continued to fight, and his National Resistance Army is now closing in on Kampala. Kenya, a neighbor with historic ties, deserves credit for trying to broker a political settlement. But it seems too much to expect that Uganda's nightmare can quickly end even if the fighting stops.

— THE NEW YORK TIMES.

A Good Man for Refugees

Few jobs are harder, or more heartbreaking, than that of United Nations High Commissioner for Refugees. The incumbent is steward of the hapless millions dislocated by invasions, civil wars and rebellions. As the High Commission's operations and budget have grown, so has the importance of the job. That is why the scramble among five nations to name the successor to Paul Hartling was so unseemly.

The Netherlands, Sweden, Norway and Egypt all put forward senior diplomats, none with outstanding qualifications for the job. Fortunately Switzerland, which is not a UN member, put forward Jean-Pierre Hocke, operations director of the Swiss-based International Committee of the Red Cross. His credentials were clearly the strongest. His choice by Secretary-General Javier Pérez de Cuellar bodes well for the commission work in 80 countries — and should build support among major donors for its \$500-million operating budget.

It takes strong leadership to keep the special

agencies from the bogs of politics and patronage. Most of their work is in poorer countries but most of their funds come from Western democracies. To its shame, the Soviet Union refuses voluntary contributions to UN agencies, claiming speciously that capitalism bears all responsibility for Third World distress. Even so, the Soviet bloc eagerly promotes its causes and job-seekers in those agencies.

Not unreasonably, the major donors are insisting on minimum standards of competence and fairness at United Nations agencies. UNESCO failed that test, resisting reform over the United States withdrawal. Now Britain, too, is quitting. One salutary result is a fresh appreciation of sound leadership. The Red Cross has an exemplary record in providing disaster relief and of impartially defending the rights of war prisoners. The Office of the High Commissioner stands to benefit from Mr. Hocke's firm administrative hand.

— THE NEW YORK TIMES.

Other Opinion

Until the Present Boss Leaves

In deciding to implement its threatened withdrawal from UNESCO, the British government very sensibly decided to take at their face the pseudo-reforms agreed to in Sofia by the organization with the sole object of avoiding loss of further members. In the light of past experience there are no grounds for believing that the "politicization" and mal-administration of UNESCO can be eliminated while its present director-general remains in office. This was no doubt the main consideration that influenced the British decision, and it will probably serve as a guide to other governments that are considering withdrawal.

— *Neue Zürcher Zeitung* (Zurich).

An Unfinished Christmas Gift

In 1952 I was one of many college students who professed their growing alienation from organized religion. Although I was raised in a churchgoing family and still considered myself a Christian, I shared some of my fellow students' skepticism about the ability of the church to challenge social injustice in Amer-

ican society. At the time I was dating a ministerial student named Martin Luther King Jr. He surprised me by saying that he also had some doubts about the relevance of the church. However, he insisted, "To really carry out the precepts of Jesus would be the most revolutionary and dangerous thing in the world." Every Christmas season I remember those words as if they were spoken yesterday. That, for me, is the spirit of Christmas.

The unfinished Christian revolution is a challenge of burning urgency for people of good will everywhere. As my husband said in his final published statement: "Jesus of Nazareth wrote no books, he owned no property to endow him with influence. He had no friends in the courts of the powerful. But he changed the course of mankind with only the poor and despised . . . Naïve and unsophisticated though we may be, the poor and despised of the 20th century will revolutionize this era. We will fight for human justice, brotherhood, secure peace and abundance for all. When we have won these in the spirit of unshakable nonviolence, then in luminous splendor the recent jostling of the Gramm-Rudman-Kudman and tax reform legislation.

— Syndicated columnist Coretta Scott King.

FROM OUR DEC. 17 PAGES, 75 AND 50 YEARS AGO

1910: 'A Million Men Would Rise Up' WASHINGTON — If war were imminent, the excitement could hardly be greater than that which has followed the report of Jacob M. Dickinson, Secretary of War, on U.S. military unpreparedness. The "peace" party in Congress, led by Mr. Tawney, chairman of the Committee on House Appropriations, accuses the Secretary of War, Representatives from Pacific coast states, manufacturers of armaments and some newspapers of a conspiracy to frighten the country, so as to secure large appropriations. The attitude of the "peace" party was expressed by a member of Congress: "It is folly to talk about 100,000 men being landed on our shores. A million men would rise up to drive out the invaders, and if we do not have ammunition we will use stones."

1935: In Defense of Birth Control NEW YORK — What is regarded as one of the strongest defenses of birth control ever advanced in this country has been issued by 13 Protestant and Jewish clergymen in response to a sermon in which Cardinal Hayes assailed a proposal to issue birth control information only to families desiring such knowledge. The Cardinal disclosed that he was speaking not only as a Roman prelate but as an American, which caused the clerical critics to point out: "For one religious group to attempt to exercise authority over other groups, whether that authority be legal, social or ethical, is undemocratic and out of place in America." Of greater importance is that those replying to the Cardinal take issue with his theory that birth control is either immoral or economically unwise.

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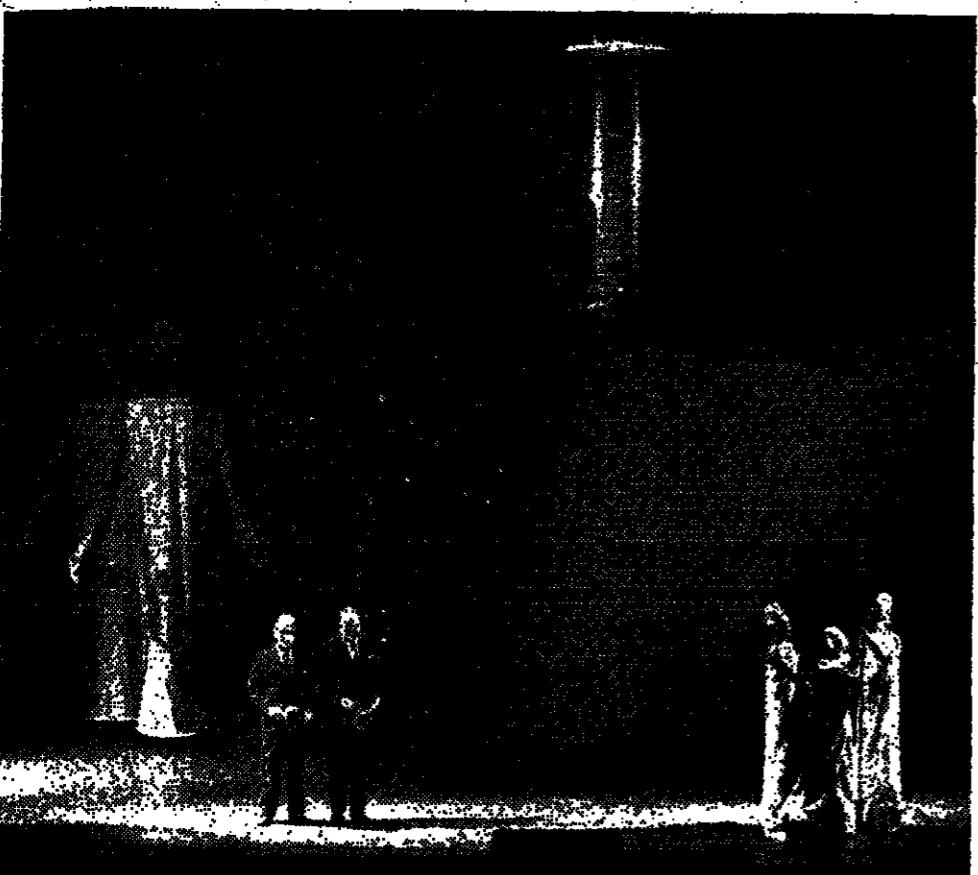
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ARTS / LEISURE



Frankfurt "Das Rheingold's" Fasolt and Fafner figures, with business-suited singers.

Gieden-Berghaus 'Ring' on Target With an Eye-Catching 'Rheingold'

By Andrew Clark

FRANKFURT — Like most German conductors and opera directors, Michael Gieden wanted to put his stamp on Wagner's "Ring," and with the new Frankfurt production of "Das Rheingold" it looks as if his plan is well on target. The production is a vindication of what Gieden has done in his eight years as director of the Frankfurt Opera, which under his guidance has embellished its reputation as one of the most progressive opera companies in West Germany.

The new Frankfurt "Ring" is conducted by Gieden and staged by the East German producer Ruth Berghaus, one of a group of avant-garde stage directors with whom Gieden, 58, is associated. Together they have helped to realize his policy of questioning traditional approaches to the standard operatic repertory and experimenting with new techniques in music theater. "Das Rheingold" is to be joined by "Die Walküre" in May. The final two parts of the cycle, "Siegfried" and "Götterdämmerung," will follow next season, culminating with three complete "Ring" cycles in 1987. That will be Gieden's parting shot: After 10 years at Frankfurt he will move to Baden-Baden to become chief conductor of the Southwest German Radio Orchestra. The Frankfurt city government has chosen the Israeli conductor Gary Bertini as his successor.

The main surprise in "Das Rheingold" is that Berghaus avoids

the overt political connotations with which the "Ring" has been so heavily laden in recent years. In interviews before the opening there was much talk of a psychoanalytical concept, for which the "Ring" no doubt is rich hunting ground. Whether this works as a practical approach in the theater will become apparent only as the Frankfurt cycle develops into its later stages.

On its own, "Das Rheingold" provides an absorbing evening, though at times it succumbs to the avant-garde cliché and suffers from overkill in its profusion of ideas. But with Gieden's superb elucidation of the score and a cast of uneven quality, the production combines humor, a well-argued analysis of human behavior and — at its most immediate level — some eye-catching imagery.

The Rhine maidens are halfway between classical statuettes and mermaids, suspended against a black backdrop that allows them to sway and circle. The gods — also depicted in white neo-classical garb — clump around stage on plinths, but are forced to come down to earth when Freia, the goddess of youth, is abducted. The inhabitants of Nibelheim are identically masked as surrealist dwarfs, while Fasolt and Fafner are represented as two giant mobile terracotta figures framed by expressionless statues in dark suits. Valhalla is a huge open-ended ring of concrete, tilted to one side and decorated with a map of the universe.

The thread Berghaus weaves

through these startling stage pictures is the force of human self-centeredness personified by the gods. Preoccupied with Loge's guide to the Nibelheim gold, they fail to notice Freia's abduction. Flushed with self-congratulation at the return of their privileges after Freia's return, they callously ignore the giants' fight over the gold. Hints to the splendor of property for which they have not paid, they are deaf to the Rhine maidens' plea for the return of the plundered treasure. From one angle the production is a devastating critique of greed and social disharmony; from another, it is a manifesto for the egalitarian society.

The principal musical value lies in Gieden's authoritative and fluent reading of the score, which sums up its historic qualities in favor of light textures, selective bursts of energy and a coherent pointing of the drama. Orchestra and cast are clearly been meticulously prepared; the voices of the Rhine maidens are well-blended, and the coordination between stage and pit is exemplary.

Judging by the cast for "Rheingold," which combines the extremes of youth and experience, the most commanding characters in this "Ring" may turn out to be the least expected. The best voices and characterizations of the evening are those of Adalbert Waller as Alberich, Manfred Schenk as Fasolt, Barry Mora as Donner and Heinz Zednik as Loge. The company will have to find a more experienced Wotan for "Die Walküre." In most respects, however, the prospects for the development of this cycle are good.

Further performances Dec. 21, 29 and Jan. 1, and in March, April and May.

Andrew Clark is a journalist and music critic based in Switzerland.

1928 Carousel Is Sold For Record \$600,000

United Press International

HULL, Massachusetts — A 1928 carousel with 62 wooden horses from a recently razed amusement park has been sold at auction to 15 local investors for almost \$600,000, the highest price ever paid for an antique carousel.

The group just surpassed the \$598,800 reserve. "It would have been a crime if it left town," said Peter Seitz, one of the buyers. "I worked my way through college selling rides on that carousel."

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The Quiet Intensity of Jim Hall

By Michael Zwein

PARIS — Playing with the legendary Jimmy Giuffre trio and on such legendary recordings as "The Bridge" with Sonny Rollins and "Undercurrent" with Bill Evans has placed Jim Hall up there in the pantheon close behind such legends as Charlie Christian and Django Reinhardt. Paul Desmond called him "the favorite guitarist of many people who agree on little else in music."

Hall recently performed in duo with the French pianist Michel Petrucciani at the Théâtre de la Ville. They had never played together before. Several critics said Hall lacked assurance, but it is difficult to assimilate his unusual, quiet intensity, which is not heard often in Europe.

"I discover something every time I play," he said after the concert. "Tonight I discovered I could play anything at all with Michel Petrucciani and it would work. I guess, in general, I add a softer dimension."

"You know, I bought a house in the country two hours north of New York. I had to get out. I was drained. The city was getting too crazy. Maybe I've changed too. In your 20s you need to be fed that energy, but in your 50s it's too late anymore. Make any sense?"

After five years in music schools in Columbus, Ohio, and Cleveland, he saw that most of the students were "just going to school to stay in school and never in life get out of school. They seemed to need that protection — it's like prison with retirement."

The prospect scared him. He left for Los Angeles, where he was hired by Chico Hamilton. The band started to spend so much time in New York that he decided to move there.

Jimmy Giuffre had recorded a clarinet piece accompanied only by the sound of his foot tapping, and this gave him an idea for a trio with three independent voices (including Bobby Brookmeyer's valve trombone) and no rhythm section. It was seminal hometown funk, what one critic described as "masonic blues."

Meanwhile, Sonny Rollins, who had retired, was nonetheless practicing several nights a week. When he hired Hall to be part of his comeback band, it was "like a blessing from the pope," he said.

At that point I wasn't really convinced that



Christian Rose

"I discover something every time I play."

I was part of the essence of what was going on in jazz in New York. So when Sonny called me it was the final blessing.

"Sonny's imagination is so overpowering, I stood up there unable to believe my ears and when it was my turn to play I thought, 'Now what?'" In the middle of what he describes as "a very heavy drinking period," Hall was impressed by the "outrageous" things a clear-headed Rollins could play.

"I used to think I had to drink to play," Hall said, "but I'd go to drink I couldn't play at all." He joined Alcoholic Anonymous and was "afraid to walk past saloons for

heroes. I began to hear people say that more and more," he said. "It's nice. I try to learn from those guys too. It's not as much being a guitar player as being a musician."

"That's the way I think about Miles. I always find myself defending Miles. He's just so smart and gifted and courageous. His current band sounds like Bartok with a backbeat. As I get older I've been getting more courage to try new things. A lot of people take less risks as they get older but Picasso and Stravinsky didn't do that. I want to go out like they did."

Getting older may have been on his mind for a reason: After the concert, Hall joined Petrucciani and others for a late dinner at a nearby brasserie. Petrucciani had arranged for a cake to celebrate Hall's 55th birthday, which would arrive in 20 minutes — midnight. Hearing people whispering words like "gâteau," Hall guessed what was up, and slipped out of the restaurant. "He's going to his hotel," his agent said. "He's so shy. He said he couldn't handle it."

He cloistered himself in the studio as a member of the orchestra on Merv Griffin's television show, began to teach, and recorded in duos with Bill Evans, Brookmeyer and, later, Ron Carter. He played with Paul Desmond, Ben Webster and Coleman Hawkins. He recorded solo albums. His accumulated body of soft-dimensional work made of him a hero to rock-guitar

heroes.

It was part of the essence of what was going on in jazz in New York. So when Sonny called me it was the final blessing.

Despite such criticism, ZDF, appears to have started a trend. This month its main rival, the ARD, began screening "Lindenstrasse" (Linden Street). Scheduled to run for 52 weeks, it depicts life in a suburban street in Cologne. It is billed as West Germany's answer to Britain's long-running "Coronation Street."

The mass-circulation daily Bild, however, recommended "Schwarzwaldklinik" and said of "Lindenstrasse": "The whole thing reeks of the studio and the typewriter.... The only people who get any real pleasure from this sort of stuff are the people at ZDF."

West German Clinic Kitsch Outsoaps 'Dallas'

By Richard Williams

pects of his womanizing, however, are kept off the screen.

BONN — A West German soap opera called "Schwarzwaldklinik" (Black Forest Clinic), roundly lambasted as visual kitsch by the critics, has established itself as a runaway TV success in seven weeks.

Rating show more than 20 million fans are hooked on the tale of doctors and nurses in a sanatorium deep in southern Germany. In its first week of transmission, "Schwarzwaldklinik" broke all audience records in West Germany, attracting 24.6 million viewers. American imports such as "Dynasty" and "Dallas" are watched by about 17 million.

A book on the series has been published and a second is being printed. The Black Forest resort home where location scenes are shot has become a place of pilgrimage for viewers.

A leading television magazine described the character Doctor Brinkmann, head of the clinic, as "the sort of doctor women dream about." Kind to animals, totally without prejudice when operating on a wife-murderer, Brinkmann even pays the hospital bill of a penniless tramp in one episode. This paragon of virtue shows signs of worry only when his son Udo, a doctor at the clinic, is chasing a young nurse, Elke.

Udo is one of the few concessions to a permissive society made by the Sunday night program's scriptwriters. The more explicit as-

pects of his womanizing, however, are kept off the screen.

West German television's publicly owned second channel, ZDF, which shows "Schwarzwaldklinik," has commissioned 11 45-minute episodes for next year to follow the original 25.

The influential news magazine Der Spiegel dubbed the series "Operation Kitsch." Spiegel said

"Schwarzwaldklinik" was "an unrestrained lapse back to the 1950s, when kitsch and sentimentality... fed a conservatism confused by anything new." It charged that the show was a throwback to the "Herrnhut films" — set in rural Germany and glorifying the traditional

way of life — that were popular during the Nazi era.

Despite such criticism, ZDF, appears to have started a trend. This month its main rival, the ARD, began screening "Lindenstrasse" (Linden Street). Scheduled to run for 52 weeks, it depicts life in a suburban street in Cologne. It is billed as West Germany's answer to Britain's long-running "Coronation Street."

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TRAVELLERS REASSURED 'WATER IN BOMBAY SAFE TO DRINK'

Based on his long and intimate acquaintance with

Bombay our foreign correspondent writes:

"Of all the things that people drink in Bombay, water has never figured prominently.

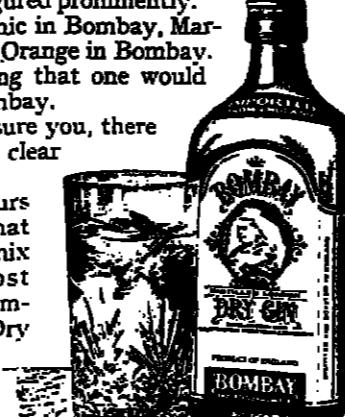
Most prefer Tonic in Bombay, Martini in Bombay or Orange in Bombay.

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FUTURES AND OPTIONS

Bond-Futures Trade Suffers
Teething Pangs in JapanBy YOSHIO MORI
Reuters

TOKYO—Japan's two-month-old bond-futures market is far from being an efficient mechanism for bondholders to minimize interest-rate risks. But traders are still hopeful that, with time and greater volume, the market will come into its own.

"With an average daily turnover of about 500 billion yen (\$2.5 billion), the market is not large enough for us to hedge our enormous bank debt inventories," one chief bond dealer at a long-term credit bank said.

But it is too soon to worry, according to a bond trader at one U.S. bank. "All successful futures markets tend to start off at a low pace and mature as time goes on," this trader said.

The futures market, inaugurated Oct. 19 to help holders of cash bonds reduce risks by locking in interest rates with futures contracts, is still in its infancy, an official of the Tokyo Stock Exchange noted.

Further growth requires more liquidity and volume to attract hedgers, he said. The market should be good for smaller investors who can easily participate because margin requirements are low and prices are set freely, he added.

But individuals have nearly halted trading contracts, leaving the market to professionals, one bond manager said.

Individual investors who had been speculating with long positions suffered heavy losses when the cash bond market suddenly nose-dived on Oct. 25, the bond manager said.

THE BANK of Japan nearly strangled the market when it guided yen interest rates sharply higher in order to help boost the yen's value against the dollar.

The lack of adequate volume also inhibits spreads—the bidding of both purchase and sale contracts for deliveries in different months. "Spreads cannot be successfully exercised unless the contracts have daily volume of at least 300 billion yen," a bond manager of a major securities house said.

Daily volume has been heavy on the current month but minimal on other months. Recent average volume on current March has been around 300 billion yen, while nearby June has been less than 10 billion and distant March nil.

Institutional investors tend to adhere to a similar outlook for yen interest rates, causing a lopsided market, one banker said. Without diversity to create enough volume and liquidity for more contracts, hedgers and spreaders will not be lured into the market, he added.

But dealers are optimistic that the situation will improve as participants begin to understand the workings of the market.

"Hedgers' participation is inhibited by inexperience and lack of information," said a bond manager at one commercial bank. "But it is encouraging that they have already seized about a 10-percent share of the total trading volume."

In addition, day traders, those who trade and settle positions within a single day, are already overwhelmingly active in the market, dealers said. These traders generally arbitrage between cash prices in the cash market and contracts in the futures market.

Day traders would also place spreads if there were enough volume on more contracts, dealers said.

Corporations, which have been watching the market with interest, may become participants depending on its development, dealers said.

A spokesman for Toyota Motor Corp. said: "We have been on its sidelines to see how the market progresses." So far, Toyota has been minimizing risks through other markets, he said.

Bank dealers noted that the futures market provides opportunity.

(Continued on Page 15, Col. 1)

Currency Rates

| Dec. 16 | | | | | | | | | |
|---------|------|--------|-------|------|------|--------|--------|-------|-------|
| U.S. | £ | DM | FR. | HL. | DM. | BF. | SL. | Yen | DM. |
| 1.615 | 4.05 | 112.67 | 34.84 | 1.05 | 5.98 | 134.24 | 142.85 | 1,000 | 1.615 |
| 1.614 | 4.04 | 112.65 | 34.82 | 1.05 | 5.96 | 134.22 | 142.83 | 1,000 | 1.614 |
| 1.613 | 4.03 | 112.63 | 34.80 | 1.05 | 5.94 | 134.20 | 142.81 | 1,000 | 1.613 |
| 1.612 | 4.02 | 112.61 | 34.78 | 1.05 | 5.92 | 134.18 | 142.79 | 1,000 | 1.612 |
| 1.611 | 4.01 | 112.59 | 34.76 | 1.05 | 5.90 | 134.16 | 142.77 | 1,000 | 1.611 |
| 1.610 | 4.00 | 112.57 | 34.74 | 1.05 | 5.88 | 134.14 | 142.75 | 1,000 | 1.610 |
| 1.609 | 3.99 | 112.55 | 34.72 | 1.05 | 5.86 | 134.12 | 142.73 | 1,000 | 1.609 |
| 1.608 | 3.98 | 112.53 | 34.70 | 1.05 | 5.84 | 134.10 | 142.71 | 1,000 | 1.608 |
| 1.607 | 3.97 | 112.51 | 34.68 | 1.05 | 5.82 | 134.08 | 142.69 | 1,000 | 1.607 |
| 1.606 | 3.96 | 112.49 | 34.66 | 1.05 | 5.80 | 134.06 | 142.67 | 1,000 | 1.606 |
| 1.605 | 3.95 | 112.47 | 34.64 | 1.05 | 5.78 | 134.04 | 142.65 | 1,000 | 1.605 |
| 1.604 | 3.94 | 112.45 | 34.62 | 1.05 | 5.76 | 134.02 | 142.63 | 1,000 | 1.604 |
| 1.603 | 3.93 | 112.43 | 34.60 | 1.05 | 5.74 | 134.00 | 142.61 | 1,000 | 1.603 |
| 1.602 | 3.92 | 112.41 | 34.58 | 1.05 | 5.72 | 133.98 | 142.59 | 1,000 | 1.602 |
| 1.601 | 3.91 | 112.39 | 34.56 | 1.05 | 5.70 | 133.96 | 142.57 | 1,000 | 1.601 |
| 1.600 | 3.90 | 112.37 | 34.54 | 1.05 | 5.68 | 133.94 | 142.55 | 1,000 | 1.600 |
| 1.599 | 3.89 | 112.35 | 34.52 | 1.05 | 5.66 | 133.92 | 142.53 | 1,000 | 1.599 |
| 1.598 | 3.88 | 112.33 | 34.50 | 1.05 | 5.64 | 133.90 | 142.51 | 1,000 | 1.598 |
| 1.597 | 3.87 | 112.31 | 34.48 | 1.05 | 5.62 | 133.88 | 142.49 | 1,000 | 1.597 |
| 1.596 | 3.86 | 112.29 | 34.46 | 1.05 | 5.60 | 133.86 | 142.47 | 1,000 | 1.596 |
| 1.595 | 3.85 | 112.27 | 34.44 | 1.05 | 5.58 | 133.84 | 142.45 | 1,000 | 1.595 |
| 1.594 | 3.84 | 112.25 | 34.42 | 1.05 | 5.56 | 133.82 | 142.43 | 1,000 | 1.594 |
| 1.593 | 3.83 | 112.23 | 34.40 | 1.05 | 5.54 | 133.80 | 142.41 | 1,000 | 1.593 |
| 1.592 | 3.82 | 112.21 | 34.38 | 1.05 | 5.52 | 133.78 | 142.39 | 1,000 | 1.592 |
| 1.591 | 3.81 | 112.19 | 34.36 | 1.05 | 5.50 | 133.76 | 142.37 | 1,000 | 1.591 |
| 1.590 | 3.80 | 112.17 | 34.34 | 1.05 | 5.48 | 133.74 | 142.35 | 1,000 | 1.590 |
| 1.589 | 3.79 | 112.15 | 34.32 | 1.05 | 5.46 | 133.72 | 142.33 | 1,000 | 1.589 |
| 1.588 | 3.78 | 112.13 | 34.30 | 1.05 | 5.44 | 133.70 | 142.31 | 1,000 | 1.588 |
| 1.587 | 3.77 | 112.11 | 34.28 | 1.05 | 5.42 | 133.68 | 142.29 | 1,000 | 1.587 |
| 1.586 | 3.76 | 112.09 | 34.26 | 1.05 | 5.40 | 133.66 | 142.27 | 1,000 | 1.586 |
| 1.585 | 3.75 | 112.07 | 34.24 | 1.05 | 5.38 | 133.64 | 142.25 | 1,000 | 1.585 |
| 1.584 | 3.74 | 112.05 | 34.22 | 1.05 | 5.36 | 133.62 | 142.23 | 1,000 | 1.584 |
| 1.583 | 3.73 | 112.03 | 34.20 | 1.05 | 5.34 | 133.60 | 142.21 | 1,000 | 1.583 |
| 1.582 | 3.72 | 112.01 | 34.18 | 1.05 | 5.32 | 133.58 | 142.19 | 1,000 | 1.582 |
| 1.581 | 3.71 | 111.99 | 34.16 | 1.05 | 5.30 | 133.56 | 142.17 | 1,000 | 1.581 |
| 1.580 | 3.70 | 111.97 | 34.14 | 1.05 | 5.28 | 133.54 | 142.15 | 1,000 | 1.580 |
| 1.579 | 3.69 | 111.95 | 34.12 | 1.05 | 5.26 | 133.52 | 142.13 | 1,000 | 1.579 |
| 1.578 | 3.68 | 111.93 | 34.10 | 1.05 | 5.24 | 133.50 | 142.11 | 1,000 | 1.578 |
| 1.577 | 3.67 | 111.91 | 34.08 | 1.05 | 5.22 | 133.48 | 142.09 | 1,000 | 1.577 |
| 1.576 | 3.66 | 111.89 | 34.06 | 1.05 | 5.20 | 133.46 | 142.07 | 1,000 | 1.576 |
| 1.575 | 3.65 | 111.87 | 34.04 | 1.05 | 5.18 | 133.44 | 142.05 | 1,000 | 1.575 |
| 1.574 | 3.64 | 111.85 | 34.02 | 1.05 | 5.16 | 133.42 | 142.03 | 1,000 | 1.574 |
| 1.573 | 3.63 | 111.83 | 34.00 | 1.05 | 5.14 | 133.40 | 142.01 | 1,000 | 1.573 |
| 1.572 | 3.62 | 111.81 | 33.98 | 1.05 | 5.12 | 133.38 | 141.99 | 1,000 | 1.572 |
| 1.571 | 3.61 | 111.79 | 33.96 | 1.05 | 5.10 | 133.36 | 141.97 | 1,000 | 1.571 |
| 1.570 | 3.60 | 111.77 | 33.94 | 1.05 | 5.08 | 133.34 | 141.95 | 1,000 | 1.570 |
| 1.569 | 3.59 | 111.75 | 33.92 | 1.05 | 5.06 | 133.32 | 141.93 | 1,000 | 1.569 |
| 1.568 | 3.58 | 111.73 | 33.90 | 1.05 | 5.04 | 133.30 | 141.91 | 1,000 | 1.568 |
| 1.567 | 3.57 | 111.71 | 33.88 | 1.05 | 5.02 | 133.28 | 141.89 | 1,000 | 1.567 |
| 1.566 | 3.56 | 111.69 | 33.86 | 1.05 | 5.00 | 133.26 | 141.87 | 1,000 | 1.566 |
| 1.565 | 3.55 | 111.67 | 33.84 | 1.05 | 4.98 | 133.24 | 141.85 | 1,000 | 1.565 |
| 1.564 | 3.54 | 111.65 | 33.82 | 1.05 | 4.96 | 133.22 | 141.83 | 1,000 | 1.564 |
| 1.563 | 3.53 | 111.63 | 33.80 | 1.05 | 4.94 | 133.20 | 141.81 | 1,000 | 1.563 |
| 1.562 | 3.52 | 111.6 | | | | | | | |

NYSE Most Actives

| | Vol. | High | Low | Last | Chg. |
|---------------|------|------|------|------|------|
| Unicorp | 2410 | 712 | 704 | 705 | + 46 |
| Philip Morris | 2454 | 1256 | 1174 | 1174 | + 36 |
| Armco | 2612 | 1256 | 1256 | 1256 | + 36 |
| ITT Corp | 2577 | 2742 | 2644 | 2644 | + 36 |
| AT&T | 2121 | 1256 | 1256 | 1256 | + 36 |
| Prudential | 1824 | 8912 | 8875 | 8875 | + 36 |
| Merck | 1597 | 1256 | 1256 | 1256 | + 36 |
| IBM | 1561 | 1256 | 1256 | 1256 | + 36 |
| RCA | 1409 | 926 | 916 | 916 | + 36 |
| Texaco | 1351 | 1246 | 1246 | 1246 | + 36 |
| Transocean | 1341 | 244 | 244 | 244 | + 36 |

Dow Jones Averages

| | Open | High | Low | Last | Chg. |
|------------|---------|---------|---------|---------|---------|
| Industrial | 1520.30 | 1518.62 | 1518.50 | 1513.10 | + 17.80 |
| Transport | 722.90 | 721.16 | 718.48 | 720.31 | + 1.70 |
| Utility | 615.11 | 615.05 | 615.00 | 617.41 | + 2.50 |

NYSE Index

| | High | Low | Close | Chg. |
|-----------|---------|---------|---------|--------|
| Composite | 1227.20 | 1212.50 | 1212.50 | + 1.10 |
| Transport | 1145.25 | 1135.94 | 1135.12 | + 0.44 |
| Utilities | 1224.00 | 1217.44 | 1217.44 | + 0.44 |
| Finance | 1224.00 | 1217.44 | 1217.44 | + 0.44 |

Monday's NYSE Closing

| Close | Prev. |
|--------------|-------|
| Advanced | 210 |
| Declined | 210 |
| Total Issues | 210 |
| New Highs | 210 |
| Volume up | 210 |
| Volume down | 210 |

AMEX Diaries

| Close | Prev. |
|--------------|-------|
| Advanced | 210 |
| Declined | 210 |
| Total Issues | 210 |
| New Highs | 210 |
| Volume up | 210 |
| Volume down | 210 |

NASDAQ Index

| Close | Chg. | Prev. | Wk. Ago | Yr. Ago |
|-----------|--------|--------|---------|---------|
| Composite | 205.14 | + 1.17 | 214.85 | 228.45 |
| Transport | 205.75 | + 1.12 | 212.12 | 227.25 |
| Utilities | 205.25 | + 1.09 | 212.51 | 227.25 |
| Finance | 205.25 | + 1.09 | 212.51 | 227.25 |
| Commerce | 205.25 | + 1.09 | 212.51 | 227.25 |

AMEX Most Actives

| | Vol. | High | Low | Last | Chg. |
|------------|------|------|------|------|------|
| Witco | 1210 | 224 | 224 | 224 | + 1 |
| BAT | 1210 | 224 | 224 | 224 | + 1 |
| Womac | 2477 | 2477 | 2477 | 2477 | + 1 |
| AT&T | 2479 | 2479 | 2479 | 2479 | + 1 |
| Delta | 1851 | 2479 | 2479 | 2479 | + 1 |
| Alcoa | 1851 | 2479 | 2479 | 2479 | + 1 |
| Prudential | 1851 | 2479 | 2479 | 2479 | + 1 |
| Merck | 1597 | 2479 | 2479 | 2479 | + 1 |
| IBM | 1561 | 2479 | 2479 | 2479 | + 1 |
| RCA | 1409 | 2479 | 2479 | 2479 | + 1 |
| Texaco | 1351 | 2479 | 2479 | 2479 | + 1 |
| Transocean | 1341 | 2479 | 2479 | 2479 | + 1 |

Dow Jones Bond Averages

| | Class | Chg. |
|-------------|---------|--------|
| Bonds | Class B | + 0.01 |
| Utilities | Class B | + 0.01 |
| Industrials | Class B | + 0.01 |

NYSE Diaries

| | Close | Prev. |
|--------------|-------|-------|
| Advanced | 1062 | 1062 |
| Declined | 1072 | 1072 |
| Total Issues | 2071 | 2070 |
| New Highs | 1062 | 1062 |
| Volume up | 1062 | 1062 |
| Volume down | 1062 | 1062 |

Odd-Lot Trading in N.Y.

| | Vol. 4 P.M. | Vol. 4 P.M. Vol. | Prev. consolidated close |
|---|-------------|------------------|--------------------------|
| NYSE | 176,000 | 177,000 | 175,000 |
| Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. | | | |
| Via The Associated Press | | | |

Dow Index Soars Past 1,550

United Press International

NEW YORK — The Dow Jones industrial average crashed through the 1,550 mark Monday as investors anticipated further interest-rate declines in the seventh heaviest trading in history.

The Dow Jones industrial, transportation and utilities averages set records as did the broader market indexes.

"The market's on a roll," said Monte Gordon of Dreyfus Corp.

Purchases related to expiring December stock-index futures and options contracts and to so-called year-end window-dressing also fueled the buying.

After racking up a 23.97-point gain Friday, the popular Dow industrial index climbed another 17.89 points to close at 1,553.10, surpassing its previous all-time high of 1,535.21.

Late profit-taking dragged the Dow down from a mid-afternoon height of more than 28 points. The Dow closed above 1,500 for the first time last Wednesday.

Bouyed by continued optimism about interest rates, the Dow utility average rose 2.21 to 171.90, its fourth new record in as many sessions. Standard & Poor's 500-stock index rose 2.08 to 212.02, its sixth new high in six days. The price of an average share jumped 33 cents.

Advancing issues outpaced declines 1,018-700 among the 2,081 issues traded.

Big Board volume amounted to 176 million shares compared with 177.9 million shares traded Friday.

Composite volume of NYSE-listed issues on all U.S. exchanges and over the counter totaled 215.9 million shares, compared with 215.9 million shares traded Friday.

Prices advanced on the view that subdued inflation and sluggish economic activity will allow the Federal Reserve to let interest rates

The Fed's policy-making arm is meeting early this week in Washington to discuss the economy and monetary policy. Analysts said Federal Open Market Committee members may reach a decision on whether or not to cut the discount rate.

There is a heady sense of expectation that the Fed may lower the rate before the end of the year," Mr. Gordon said.

Trading connected to the options and futures markets also spurred the market higher, participants said. Buying by traders whose strategies involved being short stocks and who wanted to cover their short positions gave prices a boost, they said.

December contracts in both the stock-index futures and options markets expire Friday, as do individual options contracts. Because of this, the market could experience some added volatility, said Alfred Goldman of A.G. Edwards in St. Louis.

Purchases by money managers who do not want to show large cash positions in their portfolios at the end of the year also aided the market's advance, traders said.

72 Month High Low Stock

| | Div. | Yield | PE | Sl. | 12m High | 12m Low | Stock | Close | Chg. |
|---------|------|-------|-------|-----|----------|---------|-------|-------|------|
| Boeing | 512 | 5.50 | 15.50 | 42 | 247 | 242 | 247 | 247 | - 1 |
| Borden | 205 | 3.70 | 19.00 | 12 | 247 | 242 | 247 | 247 | - 1 |
| BordenW | 205 | 3.70 | 19.00 | 12 | 247 | 242 | 247 | 247 | - 1 |
| Brown | 205 | 3.70 | 19.00 | 12 | 247 | 242 | 247 | 247 | - 1 |
| BrownB | 205 | 3.70 | 19.00 | 12 | 247 | 242</td | | | |

BUSINESS ROUNDUP

Thyssen Stahl Quadruples Profit

By Warren Getler

International Herald Tribune

DUISBURG, West Germany — Thyssen Stahl AG, Europe's largest steelmaker, said Monday it more than quadrupled group profit to 383 million Deutsche marks (\$152 million) for the year in '85.

In '84, Thyssen Stahl's profit was 93 million DM a year earlier.

Hans Krivent, Thyssen Stahl's man, said that despite the jump in profit, the profit-to-loss relationship at the company fell short of what he considers a

able profit margin of 5 percent.

Sales of 10.4 billion DM, up

9.2 billion a year earlier,

Thyssen Stahl's profit margin was

percent.

Mr. Krivent said the group's

performance in the year

ended in September was due pri-

marily to robust foreign demand

both crude steel and continu-

ously cast semifinished steel prod-

ucts. Crude-steel production rose 5

percent to about 11.1 million met-

tons (12.2 million short tons).

Crown Businesses to Be Sold to Goldsmith, James River

The Associated Press

RICHMOND, Virginia —

James River Corp. would acquire

majority ownership of the paper

business of Crown Zellerbach

and the British financier, Sir

James Goldsmith, would retain

control of Crown's forest-products

and cardboard operations in a

two-way transaction announced

Monday.

Steve Garnett, a James River

executive, said the paper-manu-

facturing giant would spend about

\$10 million worth of its own stock

under a complicated formula to ob-

tain the stock in San Francisco-

based Crown Zellerbach.

Sir James, who owns just over 50

percent of Crown Zellerbach's 27

million shares outstanding, would

receive about \$50 million in cash,

Mr. Garnett said.

Crown shareholders would be

able to tender their stock either to

James River or to Sir James. But

for the transaction to come off,

James River must be tendered at

least 90 percent of the Crown

shares not already owned by Sir

James, Mr. Garnett said.

"Neither the James River ex-

change offer nor the Crown ex-

change offer will be consummated unless both are consummated," the companies said.

A "definitive agreement" has

been signed and unanimously ap-

proved by the boards of directors

of both Crown Zellerbach and

James River, the companies said.

Mr. Garnett said James River

has annual sales of \$2.5 billion,

and with the addition of the remaining

portion of Crown Zellerbach would

have annual sales of about \$4.5

billion. Crown Zellerbach has an

annual sales of about \$3.1 billion.

Sir James is operating through a

subsidiary of his General Oriental

Securities Ltd. Partnership.

The current year, however, promises lower profit mainly because of falling exports, Mr. Krivent said.

Thyssen executives said that its competitiveness abroad is likely to be eroded this year not only by a weaker dollar but also by

He said that foreign competitors, including numerous beneficiaries of state subsidies, have made inroads into the important U.S. auto industry market for semifinished steel, in which Thyssen has played a dominant role as a foreign supplier for several years.

In an interim report, VW said it expects world group sales to rise 15 percent from last year's 45.7 billion Deutsche marks (about \$18 billion at current rates), topping 50 billion for the first time. Parent sales also are expected to increase 15 percent from 33.8 billion DM in 1984, it said.

The automaker gave no specific profit forecast but said it expected worldwide after-tax profit to be above last year's 228 million DM. The company reported nine-month net of 424 million DM, and analysts said they expect full-year profit to be near 600 million DM.

The report gave no indication of 1985 dividend, which analysts expect to be raised to at least 8 DM from 5 DM last year.

Deliveries, including top-of-the-range Audis, will rise 13 percent this year to 2.42 million units, the highest level since 1980, VW said.

VW has become the market leader in Western Europe this year for the first time, helped by sustained demand for its second-generation Golf hatchback.

VW said it expects world group vehicle production to rise 12 percent to 2.4 million units this year, and deliveries to customers to rise 13 percent, to 2.42 million, a level last reached in 1980.

VW is investing 676 million DM, down from 767 million in 1984-85.

price-undercutting from South American and South Korean competitors. Competition within the domestic market is also expected to cause heavy price pressure. As a result, Mr. Krivent said, he expects both prices and sales this year to drop by 3 percent to 5 percent.

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Europe Balks at 'Locomotive' Role

(Continued from Page 1)
ments since the 1979-80 oil-price shock have made their economies overly dependent on exports for growth and vulnerable to a U.S. slowdown and a fall in the oil price.

At that year's Western economic summit meeting in Bonn, Japan and West Germany agreed to act as locomotives for the world economy by simultaneously adopting stimulatory measures equal to 1 percent of their total output. Smaller contributions were promised by Britain, France, Italy and Canada.

The intrinsic weakness of the European economies is revealed by their low growth of domestic demand, which excludes the effect of foreign trade.

While domestic demand is growing at just under 4 percent in the United States this year and by 3 percent in the industrial world as a whole, it is bumping along at less than 2 percent in Europe. West German domestic demand is expected to grow only 1.2 percent this year.

As the OECD recently pointed out, a decline in the American appetite for imports, and more competitive American exports, would mean that "European domestic demand growth would need to be faster merely to prevent a growth slowdown from its present rate."

Another argument is that a small coordinated expansion by several countries is likely to prove more potent and less risky than a big push by just one.

In 1978, Western nations at-

tempted the same kind of coordinated action being urged today.

At that year's Western economic summit meeting in Bonn, Japan and West Germany agreed to act as locomotives for the world economy by simultaneously adopting stimulatory measures equal to 1 percent of their total output. Smaller contributions were promised by Britain, France, Italy and Canada.

The governments in Britain, West Germany and Japan now regard that experiment as an unequalled disaster that pushed the industrial world back into inflation, recession and higher unemployment.

But some policy-makers and economists think such an effort would fare much better now. They argue that Europe's earlier attempt to play the locomotive was derailed by the Iranian revolution and the oil-price rise, which forced up world inflation, compelling governments everywhere to stamp on the brakes.

In particular, argues Stephen Marris, a former economic adviser to the OECD now at the Institute for International Economics in Washington, oil prices are now fallible, inflation is lower and unemployment higher. Europe's external payments are stronger and the dollar is overvalued, rather than undervalued, as it was under President Jimmy Carter.

Richard Lambrecht, special-service manager of the precious-metals division of American National Bank of New York, Continuity is necessary to the coin regarded as legal tender and not a collector's item, dealers said.

The design of the \$50 one-ounce coin is specified by law. It will feature a design "symbolic of liberty" on the front and a family of eagles on the back. The designs of the other coins will be set by the secretary of the Treasury.

Japan Lets 6 Foreign Firms Open Securities Branches

Reuters

TOKYO — Japan will allow six foreign securities firms to open branches in the country beginning next year, a Finance Ministry official said Monday.

The six are DB Capital Market (Asia) Ltd., E.F. Hutton & Co., Schroder Securities (Japan) Co., Cazenove & Co., Paine Webber Inc. and Hoare Govett Far East Ltd., the spokesman said.

A formal announcement is expected later this week, he added.

Deutsche Bank AG of West Germany said earlier that it would reduce its stake in DB Capital Market to 50 percent to conform with Japan's securities and exchange law, which prevents banks here from having both commercial banking and securities operations.

The ministry spokesman said that Hoare Govett Ltd. of Britain has reduced its share in Hoare Govett Far East to 50 percent for the same reason.

The spokesman said, however, that Merchants National Bank & Trust Co. of Indianapolis would not have to reduce its 100-percent share in Schroder Securities because it does not have a banking branch in Japan.

France's State Financial Group Plans To Take Share in Channel Project

Thailand Will Post Daily Price for Its Tin

By Vichoon Arnorn
Reuters

BANGKOK — Thailand is to begin Tuesday posting a daily tin price, which initially will be the equivalent of 21 Malaysian ringgit per kilogram (\$3.93 per pound), a government official said Monday.

Sivavong Changkasin, an official of the Mineral Resources Department, said the government had promulgated tariff measures Monday to help Thailand remain competitive if an expected sharp decline in tin prices occurs.

Department officials said it was hoped that the posting of daily reference prices would help revive

trading in tin, which was suspended Oct. 24 on the exchanges in London and Kuala Lumpur, Malaysia.

Analysts and traders there have said they expect prices to fall at the resumption of trading. The International Tin Council, whose announcement that it lacked money for price support operations provoked the suspension, is negotiating with creditors for an agreement that would allow trading to resume.

The Thai officials said the posted price would also act as a benchmark for royalty calculations.

Thailand, which like Malaysia is a leading tin producer, previously traded most of its tin through the London Metal Exchange but used the Kuala Lumpur price as a reference for royalty calculation.

The minerals department official, Mr. Sivavong, said Industry Minister Chirayu Israngkun Na Ayutthaya had signed into law a cabinet decision made last month to cut Thailand's high export royalty on tin and related taxes.

Industry sources said the cuts in export royalty would allow Thai mines, burdened by high production costs, to survive if world prices fall to around 20 to 22 ringgit from over 29, the rate last quoted on the Kuala Lumpur market. That rate was equivalent to London Metal Exchange rates when trading was halted.

Thailand Smelting & Refining Co., which smelts most of Thailand's tin concentrate and exports all its tin metal, said over the weekend that actual traded prices of Thai tin could vary from that being fixed by the government.

The company, a unit of Royal Dutch/Shell Group, said it had invited buyers of the metal to start making daily bids for the quantities of tin and prices they wish to pay.

The company said it expected foreign-bid volumes would be low in the early stages and that more tin concentrate would be offered than the market can absorb. Industry sources said most mines wish to reduce stocks of concentrate to ease their cash-flow problems.

Return of the U.S. Gold Coin

(Continued from Page 11)

To be successful, the Eagle will have to have liquidity and continuity, said Jeffrey Christen of J. Aron's commodity research group, who expressed caution about the coin's chances.

"It must be the same every year, not like the Chinese Panda," which changes face periodically, said Richard Lambrecht, special-service manager of the precious-metals division of American National Bank of New York. Continuity is necessary to the coin regarded as legal tender and not a collector's item, dealers said.

The design of the \$50 one-ounce coin is specified by law. It will feature a design "symbolic of liberty" on the front and a family of eagles on the back. The designs of the other coins will be set by the secretary of the Treasury.

The group, which has a large

bond portfolio, is interested in loan finance and would "take an important part in the subscription of bonds issued by the winner," he said.

The governments of France and Britain are expected to decide in January on one of four proposals for a fixed link across the Channel. The proposals include roads, rail lines, bridges and tunnels.

The Caisse, which collects deposits from state savings banks, had a 1984 balance sheet of 1.15 trillion French francs (\$149 billion).

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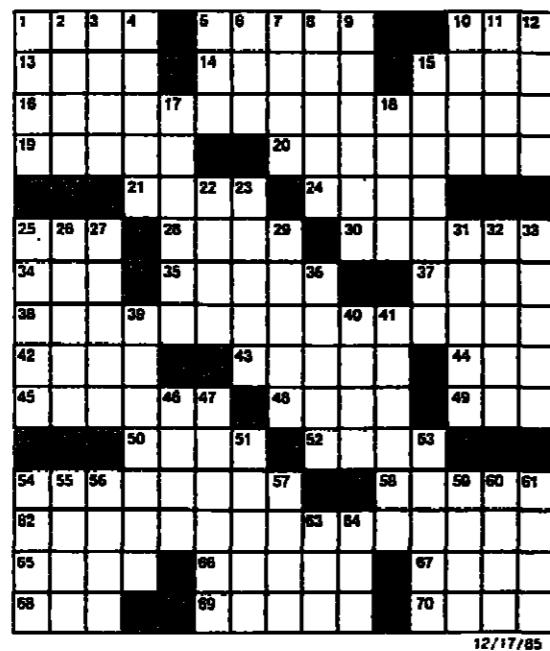
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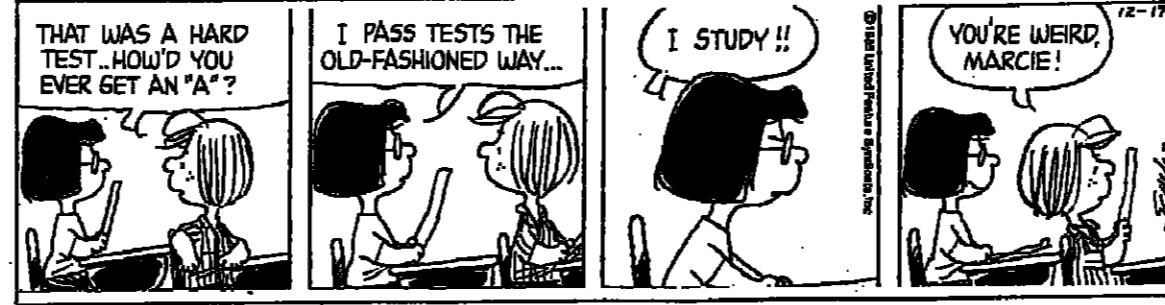
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PEANUTS



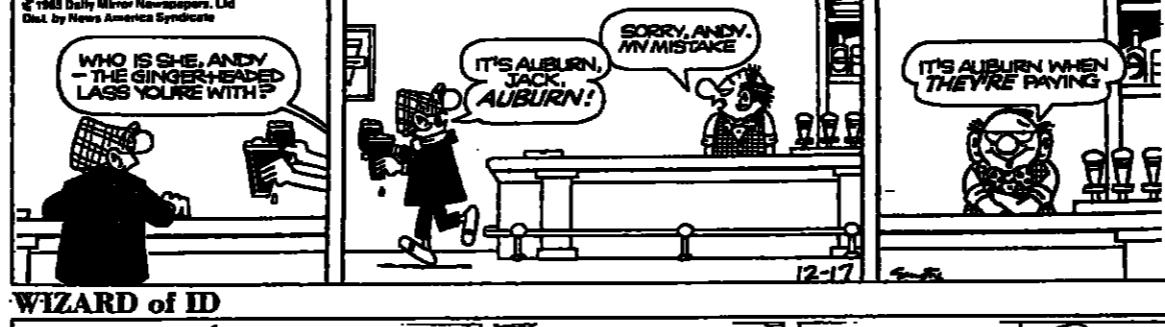
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ANDY CAPP

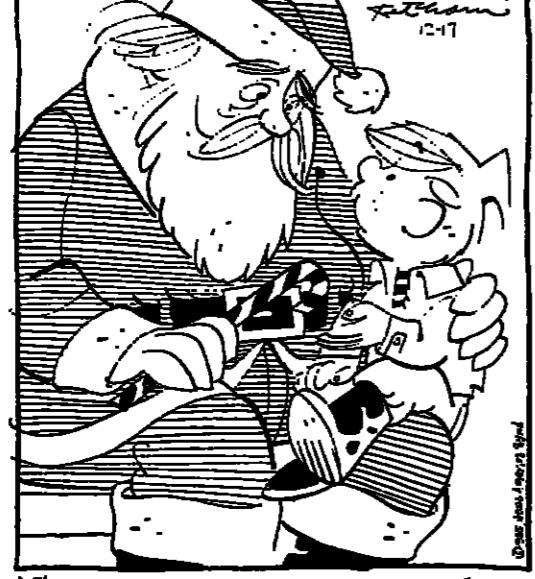


WIZARD OF ID



© New York Times, edited by Eugene Moleski.

DENNIS THE MENACE



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JUMBLE! THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Uncramble these four Jumbles, and rearrange the letters, to form four ordinary words.

KANEL



OYLED

LAYDED

HEERIT



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: A  ONE

(Answers tomorrow)

Yesterday's Jumble: FISHY WIPE SECOND HECKLE

Answer: A tactful husband always remembers his wife's birthday but forgets this—

WHICH ONE IT IS

WEATHER

EUROPE HIGH LOW

13°C 8°C C F

14°C 8°C C F

15°C 10°C C F

16°C 12°C C F

17°C 13°C C F

18°C 14°C C F

19°C 15°C C F

20°C 16°C C F

21°C 17°C C F

22°C 18°C C F

23°C 19°C C F

24°C 20°C C F

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153°C 149°C C F

154°C 150°C C F

155°C 151°C C F

156°C 1

SPORTS

England, Poland Feel the Heat from World Cup Soccer Draw

By ELOY O. AGUILAR

The Associated Press
MEXICO CITY — England and

12, sent to the hot and humid city of Monterrey, continued after the draw Sunday that mixed which teams will play in the 1986 soccer World Cup but most other teams ap-

danced with their luck.

England was also determined that Germany probably is in the best preliminary group, that

Mexico is in the easiest and

defending champion Italy will

Bulgaria in Mexico City's

Estadio Universitario on May 31 in

one of 36 first-round games

in Mexico City, Monterrey, 388 miles (625 kilo-

meters) north of the capital, is low-

er than the eight other

Most of the 24 national

had hoped to avoid it.

Finally all the nations' repre-

were at the draw, held in

a vision studio and watched by

estimated 2 billion people

world wide.

While Poland's Waldemar Kra-

ci and England's former star-

delegate, Bobby Charlton,

the English coach Bobby Rob-

complained to reporters and

most, Jesus Manuel Pal-

the Paraguayan delegate, said

did not understand what all the

was about.

"Any would have just loved

to be in Monterrey. We love the

heat. Paraguay is very hot in the

summer, and the changes in altitude don't bother us one bit," Pal-

lared said.

"I believe that all the teams that will have to play in Monterrey are going to have greater difficulty in winning the cup," Robson said.

"However, in terms of teams, I am glad to get Monterrey anyway because Group E would have been extremely difficult."

Charlton said the English team will have to go into intense preparations for this round. Poland is a very strong team. I do not know, I just do not know. It is going to be very tough and very difficult."

Krajewski said his team is "going to have an extremely hard time." The Polish news agency PAP earlier in the week had described Monterrey as "the hell of Mexico."

To the West German coach, Franz Beckenbauer, whose team heads Group E, Monterrey was just fine, but he added: "What a bunch of teams we will have to compete against!"

"It will be tough, very, very tough to compete against some of the strongest teams in South America and in Europe," Beckenbauer said after the draw put Uruguay, Scotland and Denmark in Group E, headed by West Germany.

Asked what the toughest teams will be, Beckenbauer said, "Uruguay

is the last name to be pulled in the draw."

The first two teams from each group and the four best third-place teams will advance beyond the first round, which has each group playing a round-robin.

Defending champion Italy would seem to have its toughest opposition in Argentina, another former champion, in Group A.

The draw was held under tight security in one of the large studios of the private national television network Televisa in the San Angel neighborhood of southern Mexico City.

It had been scheduled for the ornate Fine Arts Palace downtown, but was changed at the last minute following a series of protests by Mexican intellectuals, who complained that a sports-related event would "contaminate" the building traditionally used for opera, ballet and other arts performances.

The original location, the auditorium of the National Medical Center, could not be used because of the destruction wrought by the Sept. 19 earthquake that killed at least 7,000 people and damaged or destroyed about 3,000 buildings.

NATIONAL CONFERENCE

East

West

Mid

NATIONAL CONFERENCE

East

ART BUCHWALD

Thanks for the Memories

WASHINGTON — The hit number of last week's Kennedy Center Honors show was a rousing tribute to Bob Hope. American veterans from past wars came on stage, identified where they had seen Hope entertain, saluted and said, "Thanks for the memories."

It is almost impossible to have served in any U.S. conflict since Pearl Harbor without having seen Bob Hope.

My memory goes back to 1944. I was stationed on a piece of coral in the Marshall Islands with 3,000 marines, soldiers and Seabees (which, for those of you too young to remember, was the name coined from the initials for construction battalions). We were in charge of guarding empty sea lanes for a war that had passed us. We lived in tents, played volleyball, produced homemade raisin whisky and made souvenirs of Japanese flags, which we sold to sailors on navy ships anchored in the lagoon.

The important thing to remember is that our tent had no floor. This made it quite muddy during the rainy season, which made our toes go squish, squish in the night.

With the rainy season approaching, we decided to take action and get ourselves a wooden floor. The question was how to do it. Cooper said the Seabees had plywood stashed away on the western side of the island. Brinkerhoff said the army always left their truck keys in the ignition. Farhart reported he could "borrow" all the tools we needed from the air force armory. The rest of us became part of a commando group whose mission was to capture the plywood without the Seabees being any the wiser.

The operation was a success and by dawn the wood was stashed in our tent. The next step was to get the floor built before the Seabees discovered the theft.

First we leveled the ground and laid out the foundation with two-by-fours (also stolen). This took us the better part of the morning. We whistled while we worked until Schulman rushed in and yelled,

"Bob Hope is on the island with his show!" Half my tentmates dropped their tools and started to change clothes. "Hey, guys, we have to get the floor done," I said.

"They say he brought five showgirls," Schulman said.

The other half dropped their tools.

"Hold it," I said. "If we don't get this floor laid the navy MPs will find the wood and we'll not only lose it but be chopping rocks in the brig."

Carroll said, "We've been deprived of everything that is good about America. Don't make us give up Bob Hope too."

I told them, "This is a gift from heaven. We can install the whole thing while Hope is performing. Please, guys, you can see Bob Hope and showgirls any day of the week. But how often can you get a branding plywood floor?"

Cooper said, "I'm going to the show."

Farhart nodded. "My mother would never forgive me if I didn't go."

Brinkerhoff said, "We owe it to all the people who have made the USO what it is today."

I didn't want to do it but I had no choice. Somebody had to beat some sense into them. I stood in front of the tent, raised my fists and said, "Anyone who wants to go to the Bob Hope show has to fight me first."

Cooper shrugged his shoulders and hit me in the stomach. While I was on one knee Brinkerhoff got me in the jaw. Schulman sent a roundhouse to the ribs, and Farhart tried to see which eye he could close first. Then Cooper started to play soccer with my groin.

In one way or another they all made their point and there was nothing for me to do but fold up my tent and follow my "buddies" to the show.

We came back three hours later, our morale soaring and our faith in American women restored. It took us until midnight to lay the floor. It was a day I will always remember. So, Bob, even though my groin still hurts, thanks for the memories.

— Art Buchwald

Photo by John McDonnell/The Washington Post

Photo by John McDonnell/The Washington Post</p



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Progress in SDI Research: The Concept vs. the Reality

By Leslie H. Gelb

New York Times Service

WASHINGTON — More than 5 and a half years after President Ronald Reagan broached the idea of space-based defense, many administration experts and critics remain uncertain about the sequences of such a defense for clear strategy and arms control. Almost all in the government are going along with the program, as a result, it has moved forward significantly in the past six months.

The prevailing view now is that it has become harder and harder to turn back — even though U.S. officials and legislators acknowledge at there is deep confusion about the purpose and consequences of

the Strategic Defense Initiative, as the proposed system is formally known.

Despite the gathering momentum, key U.S. officials say the pro-

gram has not reached the point of no return. They say they are waiting for the opportunity to get the president to authorize measures that will take it even further before he leaves office in 1989, so his successor will be more or less compelled to forge ahead.

The conditions of that world, with the United States and the Soviet Union each limited to one missile defense site, are being eroded by the new technology and treaty loopholes. Both sides are exploiting treaty ambiguities, although each says it believes the other is more guilty of this.

The result is the development of anti-tactical ballistic missiles, anti-satellite weapons and large radars. All of these improve anti-ballistic missile capabilities, the very thing the treaty was framed to severely limit.

The summit meeting between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader, made no progress in this respect. And, for all the apparent agreement at the top of the Reagan administration, there are serious internal strains over how to proceed.

Several important officials acknowledge that U.S. goals are still suspended somewhere between Mr. Reagan's dream of total defense of the American people from missile attack and the more proximate prospects for improving deterrence or protecting missile retaliatory forces. Officials also acknowledge that a struggle is beginning over how to measure the ultimate cost-effectiveness of space-based defenses.

In particular, they point to a fight brewing between Defense Secretary Caspar W. Weinberger and his aides on one side and Paul H. Nitze, the State Department's senior arms-control adviser, on the other. In recent congressional testimony, Mr. Weinberger leveled a broadside against Mr. Nitze's insistence that defenses ultimately be judged in terms of their cost and effectiveness against offenses.

The prospect of a dollar crisis might be useful in forcing attempts to devise new mechanisms to guide the international economy, he said.

Among other changes, he called for a "managed float" of currencies, with the dollar, the yen, and the Deutsche mark linked by the U.S. Federal Reserve, the Bank of Japan and West Germany's Bundesbank.

In Mr. Nitze's scenario, the dollar would plunge in the next three years by 42 percent from the levels prevailing before Sept. 22, and by 33 percent from early December. The result would be a doubling of the rate of inflation and would lead to higher interest rates and a severe recession in the United States, Mr. Nitze told reporters.

By the first quarter of 1989, the

(Continued on Page 15, Col. 1)

U.S. would have to pay 15 percent to 18 percent to buy dollars.

Given Mr. Reagan's opposition to compromise on SDI, officials who work for him engage in a kind of muted shadow-boxing. Most refuse to contemplate negotiating restraints on the SDI with Moscow.

Mr. Nitze told reporters,

By the first quarter of 1989, the

(Continued on Page 15, Col. 1)



Mourning the Victims of Canadian Crash

President Ronald Reagan comforts the wife of a soldier killed in the crash of a DC-8 in Newfoundland at a service in Fort Campbell, Kentucky. Investigators are focusing attention on the possibility that a reversal of power in one engine caused the crash, in which 256 people died. Page 3.

Angry Shultz Tells Belgrade Official Nothing Justifies Achille Lauro Killing

By John M. Goshko
Washington Post Service

BELGRADE — Secretary of State George P. Shultz, pounding a table in anger, told Yugoslavia's foreign minister publicly on Tuesday that the hijacking of the Achille Lauro cruise ship resulted in a terrorist murder that was "not justified by any cause that I know of."

Mr. Shultz's outburst occurred at a joint news conference after the minister, Raif Dizdarevic, said that Yugoslavia distinguished between terrorism and "the struggle against colonialism, against aggression and racism."

He added, "when speaking of terrorism, one must also view the causes that lead to it."

Mr. Dizdarevic also said that Yugoslavia regarded the Palestine Liberation Organization as "the legitimate representative of the Palestinian people" and said that his government had nothing further to say about its refusal to arrest Mohammed Abbas, the alleged mastermind of the hijacking in which an elderly American, Leon Klinghoffer, was murdered.

Immediately after his comment,

Mr. Shultz changed the tone of what had been a placid news conference filled largely with references to Yugoslav-American friendship by interjecting:

"The hijacking of the Italian ship, murdering an American, torturing and holding a whole bunch of other Americans, is not justified by any cause that I know of."

The hijacking of the Italian ship, murdering an American, torturing and holding a whole bunch of other Americans, is not justified by any cause that I know of."

Mr. Shultz's outburst also contrasted to his seemingly subdued attitude earlier in the day when he said that Mr. Abbas, following his departure from Yugoslavia, had been "welcomed" in Iraq and that

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Mr. Shultz's remarks, which came as he ended a visit to three East European countries, appeared to reflect continuing frustration over Mr. Abbas's escape after the hijacking last October.

U.S. fighter planes later forced an Egyptian jetliner carrying the four actual hijackers and Mr. Abbas to land in Italy. But, while the Italian authorities arrested and charged the hijackers, they permitted Mr. Abbas, who had an Iraqi diplomatic passport, to leave Italy aboard a Yugoslav airliner.

Yugoslavia subsequently rejected a U.S. request for his arrest and extradition and allowed him to make an unpunished departure.

After an initial show of anger, the United States elected not to let the matter become a major cause of tension in U.S.-Yugoslav relations.

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(Continued on Page 7, Col. 2)

Reputed Mafia Leader Gunned Down in N.Y.

By Robert D. McFadden
New York Times Service

NEW YORK — Paul C. Castellano, the reputed leader of the largest and most powerful American crime organization, and an underworld associate have been shot to death by three assassins on a busy street on Manhattan's East Side.

As Mr. Castellano and his associate, Thomas Bilotti, stepped out of a limousine on 46th Street near Third Avenue shortly before 5:30 P.M. Monday, the police said, the three men approached, drew semi-automatic weapons from under their trenchcoats and opened fire.

Mr. Castellano and Mr. Bilotti were each shot about six times in the head and upper body and fell dead beside the open doors of their black Lincoln limousine.

After the shooting, witnesses said, the gunman fled on foot and jumped into a waiting car that sped

away, leaving behind a grisly tableau.

The slaying was viewed by high-ranking law enforcement officials as the start of a struggle for control of the Gambino faction of organized crime in New York. Mr. Castellano reportedly led that faction.

"It could be the beginning of a major mob war," said Edward McDonald, the head of the Organized Crime Strike Force of the U.S. Justice Department in eastern New York.

Other law enforcement officials said that the death of the reputed No. 2 leader of the Gambino group, Aniello Dellacroce, may have set the stage for Mr. Castellano's slaying. Mr. Dellacroce died Dec. 2 at the age of 71. He had been under treatment for cancer.

Mr. Castellano was said to have headed the Gambino group, the largest criminal organization in the

United States, since the death of his brother-in-law, Carlo Gambino, in 1976. He acquired the leadership in 1976.

Mr. Castellano and Mr. Bilotti were each shot about six times in the head and upper body and fell dead beside the open doors of their black Lincoln limousine.

After the shooting, witnesses said, the gunman fled on foot and jumped into a waiting car that sped

away, leaving behind a grisly tableau.

Federal prosecutors and agents

(Continued on Page 7, Col. 1)



Paul C. Castellano

Reagan's Appeal Gains New Vote On Tax Package

By Jim Luther

The Associated Press

WASHINGTON — The U.S. House of Representatives, reversing a stunning setback it dealt President Ronald Reagan last week, responded to a personal plea from the president Tuesday and agreed to consider his tax-reform initiative.

The House voted 258-168 to approve a procedural resolution to allow House consideration of the bill, the first step toward final approval.

Mr. Reagan considers tax reform the top item on his legislative agenda.

Last week, only 14 House Republicans gave their assent in a similar procedural vote. This time, 70 Republicans in the House joined 188 Democrats in siding with the president. Fifty-eight Democrats and 110 Republicans voted to let tax overhaul die.

The measure still faced more votes Tuesday, including a Republican amendment to the bill on whether to pass the bill itself and send it to the Senate.

The lopsided vote Tuesday indicated the bill might pass in the House, but it did not guarantee it.

The House speaker, Thomas P. O'Neill Jr., a Massachusetts Democrat, said in pleading for the bill:

"The American people have lost confidence in the fairness and the integrity of our tax laws."

"In my 33 years in Congress," he added, "we have never come this close to reform."

The minority leader, Robert H. Michel of Illinois, reminded fellow Republicans of how many times they had complained that they were not being allowed to debate an issue.

"This is one of those times, especially when our president has appealed for a chance to keep the tax legislation alive, he said.

However, Mr. Michel said he could not vote for the bill on the ground it would damage the economy of his district, a position taken by many of his colleagues.

His Democratic counterpart, Jim Wright of Texas, the majority leader, also opposed the measure, which would significantly increase taxes on the oil industry.

■ Reagan Visits Capitol Hill
Earlier David E. Rosenbaum of
The New York Times reported:

The turnaround came after Mr. Reagan visited Capitol Hill on Monday night and made an extraordinary personal appeal to Republican lawmakers.

Administration officials and Republican leaders later said he had won enough votes to assure passage of the tax legislation in the House.

Lawmakers said Mr. Reagan promised he would veto the tax bill

Algeria 4,000 Det. Israel 15,170,000 Norway 7,000 ALR.
Austria 20,000 Italy 1,700 Live. 0,200 Rob.
Belgium 6,000 Det. Jordan 450 F. Portugal 400 Ec.
Bulgaria 45,000 Kenya 50,200 Qatar 4,500 P.
Canada C-3 1,500 Libya 1,000 Saudi Arabia 4,000 S.
Cuba 1,000 Kuwait 1,000 Lebanon 1,000 Spain 110 P.
Denmark 8,000 O.D.R. Libya 1,000 Sweden 7,000 S.
Egypt 175,000 Luxembourg 400 P.F. Switzerland 2,200 S.
Finland 220 F.M. Madonna 100 Ecu. Turkey 1,000 T.
France 4,000 P.M. Malta 30 Cent. Uruguay 1,000 U.
Germany 2,500 Morocco 4,500 D.L. U.S.A. 50,000
Great Britain 30,000 Monaco 4,500 D.M.
Greece 100 D. Netherlands 2,75 P. U.S. M. 50,000
Ireland 110 Rob. Nigeria 170 D. Yugoslavia 240 D.

if substantial changes were not made by the Senate.

As a condition for the Republicans' support, Mr. Reagan agreed to send Congress a letter promising to veto any tax measure that did not contain certain elements.

The Republicans also wanted a promise from the Democrats that a vote would be permitted on the House floor on a resolution saving that restrictions on business tax

Congress moved to approve the third emergency stopgap spending bill in three months. Page 3.

Mr. Reagan considers tax reform the top item on his legislative agenda.

preferences would not go into effect until the beginning of 1987.

Mr. Reagan's aides said he had picked up 50 Republican votes, enough to pass the tax bill before Congress adjourns this week if Democratic lawmakers remain solidly behind the president.

Lobbyists opposed to the bill worked feverishly all week to weaken Democratic support.

Among the items Mr. Reagan said he would insist on in any tax bill he signed, according to Republican legislators, were a top individual income tax rate no higher than 35 percent, a \$2,000 personal exemption for all taxpayers, a maximum capital gains tax rate no higher than the current 20 percent and a delay in the date at which tax preferences would be eliminated.

The Democrats bill would place the top rate at 50 percent, at 38 percent; place the personal exemption, now \$1,000, at \$1,500 for taxpayers who itemize their deductions and \$2,000 for those who do not; set a top capital gains tax rate at 22 percent, and end tax preferences six months before rate reductions would go into effect.

Mr. Reagan appeared to have switched the final few votes at a 50-minute meeting with 160 Republican lawmakers in a hearing room across the street from the Capitol.

The Republican leadership remained adamantly opposed to Mr. Reagan's position.

The treasury secretary, James A. Baker 3d, said Mr. Reagan had called Mr. O'Neill on Monday night to say that he had pledges of at least 50 Republican votes.

At the start of the day, according to Republican leaders, there were 38 such pledges.

Democrats supported Mr. Reagan by a 3-to-1 margin, and Mr. O'Neill said Monday of his party,

"I know that we'll hold pretty much the position we've had."

Republican leaders said the letter from the president outlining those conditions and promising to veto a measure that did not meet them was essential to the vote switches.

Most Republicans continued to oppose the president.

Foreign Demand for Babies Spurs Kidnapping in El Salvador

By Marlise Simons

New York Times Service

AN SALVADOR — A stranger snatched a baby from a woman's arms the other day. She had just come out of a hospital, moving slowly, clutching a bundle of her and her day-old boy. As she hesitated before crossing the street, a man lurched toward her.

The woman screamed, but the kidnapper got away.

Officials at a family court, who told the story, said they had found no trace of the child. "It probably went to another country," a lawyer said.

The incident, the officials said, was part of what the sister of justice, Julio Samayoa, recently called the "indolent and alarming" trade in children in El Salvador.

Adoption, which has benefited many orphans and adopted children in the troubled Salvadoran society, now has begun to haunt the country. By official count, the huge foreign demand for children has led only to profiteering and fraud but also to falsification of documents and kidnappings.

The government has ordered an investigation and it intends to tighten the rules.

The hundreds of adoptions here annually yield, by some estimates, more than \$1 million a year, largely in exorbitant agent and lawyer fees.

Ethiopian Drive to 'Villagize' Is Forcing Millions to Relocate

By Blaine Harden
Washington Post Service

HARER, Ethiopia — Bekri Yussuf, a farmer in the southeastern highlands, tore down his house this year on the order of the ruling Workers' Party of Ethiopia.

He and his family carried the hut, piece by piece, on their backs for about five miles (eight kilometers) and put it back together again at a site selected by the party. To tend his sorghum, Mr. Bekri walks back each day to the fields where his house used to be.

Like one million other farmers and their families in eastern Ethiopia this year, Mr. Bekri has been "villagized." The relocations are the first wave of a plan in which the government plans to move about 33 million people in the next nine years.

If program continues at the same pace, it will be the largest and swiftest mass relocation of people in the history of modern Africa.

In one year, the program has changed living patterns that are centuries old. Instead of being scattered on farms across the highland hills, nearly all of the 250,000 houses in the region now are clustered in thousands of new villages. Each village has 100 to 500 houses lined up in straight rows nearly 30 yards (27 meters) apart.

"We cannot give our people social services and economic assistance when they are all scattered around the countryside," said Kassaye Aragaw, first secretary of the Workers' Party in the Harerghe region. "Basically, man likes to live collectively."

The program, Mr. Kassaye said, will increase security in rural areas and make it easier to teach Marxist

Leninism to farmers. But he said the primary aim of the program was "to improve the living standards of the people," adding: "Nobody forced the people to gather together. It was their own free will."

A survey by a relief agency, however, disputes that assertion.

Ethiopia has had some successful resettlement programs in the past, mostly involving rural people and large infusions of international aid.

But the size and suddenness of the current relocations has alarmed development specialists and relief workers working in Ethiopia. The country is still reeling from the effects of its most severe famine in this century.

The heads of several of the major relief and development agencies operating here say that the mass relocations, judging from how they have been carried out so far, are likely to create more famine.

"It is asking for trouble," said Michael Stahl, an agricultural specialist with the Swedish International

development agency.

"The immediate effect," he said, "is that people will be busy moving their houses. They will not have time to work their fields. Why create turbulence in the few productive areas of the country, especially now when the country's need for food is so great?"

Many relief officials say that in principle, moving the people to villages makes sense because Ethiopia desperately needs rural development. But they question the way the government is carrying out the program, which represents one of the most dramatic social upheavals in the country's history.

"This program is not evil," said the head of one large relief agency. "It is just the style in which it is done. It is being done too fast, without paying any attention to the consequences."

Like nearly all of the eight agriculture and relief experts interviewed in Harer, he asked not to be quoted by name.

The relocation program was ordered by Lieutenant Colonel Mengistu Haile Mariam, the country's leader, and is being carried out by leaders of the country's increasingly powerful Marxist party.

Western relief officials fear that if they criticize the plan publicly, they could be expelled from Ethiopia. They also fear the cancellation of aid programs that have spent millions of dollars in the country.

Mr. Kassaye, who oversees the program in the Harerghe region, dismissed criticism of the scheme as "distortions" by the enemies of Marxist Ethiopia. In an interview, he said that farmers will be allowed to farm their own plots of land and that their crops will not be collectivized.

A recent survey of relocated farmers in Harerghe by a Western relief agency disputes Mr. Kassaye's contention that the program is voluntary.

According to an official with the agency, most of the farmers interviewed said that party cadres had forced them to move against their will. Many complained that they were being housed to their new village when they should have been tending their fields.

Government relief officials say the Harerghe region has had its smallest harvest in recent memory. It is the

only region in Ethiopia that will need more food assistance in 1986 than it received this year.

Bad weather is the primary cause of the food shortage, which is expected to affect 1.3 million people. But United Nations officials said the shortage also resulted from the rapid implementation of the relocation program.

Relief officials in Ethiopia drew a parallel between the problems and those created by the government's resettlement program. About 600,000 famine victims have been moved in the past year from the dry northwestern highlands of Welal and Tigray to less populated, more fertile areas in the country's southwestern region.

Although the government promised that resettlement would be voluntary, relief workers say that thousands of famine victims were transported against their will by local party cadres who were anxious to meet monthly quotas set by their superiors in Addis Ababa.

Relief officials complain that hundreds of thousands of farmers in the Harerghe area were being moved in much the same way. And many of the new villages, they said, do not have an assured water supply, medical clinics or schools.

Mr. Kassaye acknowledged that the Ethiopian government does not have enough money to build government clinics or schools in the villages.

"Our economic strength is not enough to answer the peoples' call for economic advantage," he said. "Nothing was given by the party and the government except knowledge. No other help was given."

WORLD BRIEFS

Bonn Picks Bangemann for SDI Talks

BONN (AP) — Chancellor Helmut Kohl has named his economics minister to lead negotiations aimed at giving West German companies full access to U.S. research on space weapons, the government said Tuesday.

Mr. Kohl's government has said that private companies are free to join the research into the program, which is known as the Strategic Defense Initiative. As lead negotiator, Economics Minister Martin Bangemann is to try to ensure that the Americans share their scientific research with the West Germans, the government press office said. Mr. Bangemann is chairman of the liberal Free Democratic Party, the junior partner in Mr. Kohl's center-right coalition government.

The West German cabinet is to meet formally Wednesday to approve the negotiation effort. The Reagan administration has invited all its NATO allies to take part in the research, but only Britain has accepted so far.

Soviet to Be Asked to Extend Test Ban

MOSCOW (AP) — The American co-founder of the group that won the 1985 Nobel Peace Prize said Tuesday that he and his Soviet counterpart would ask Mikhail S. Gorbachev, the Soviet leader, to extend the Kremlin's nuclear test moratorium past its year-end expiration.

Dr. Bernard Lown said by telephone that he and Dr. Yevgeni Chazov, co-presidents of International Physicians for the Prevention of Nuclear War, would meet with Mr. Gorbachev on Wednesday.

Dr. Lown, a Boston cardiologist, and Dr. Chazov, a deputy health minister and member of the Central Committee, founded the anti-war group that was awarded the Nobel Peace Prize in Oslo last week. The organization claims about 135,000 members in 41 countries.



The Associated Press
Mohammed Zia ul-Haq of Pakistan, left, was greeted Tuesday by Rajiv Gandhi upon his arrival in New Delhi.

Syria Warns Israelis Not to Attack Missiles

The Associated Press

DAMASCUS — Syria warned Tuesday that it will deal "painful blows" to Israel if it attacks anti-aircraft missile batteries deployed along Syria's border with Lebanon.

The warning, conveyed through the government-controlled press, also indicated that Damascus was rejecting a U.S. plea to remove the high-altitude missiles, known as SAM-2's, which could fire deep into Israeli airspace.

"Syria will not yield to the rules of American-Zionist blackmail however heavy the pressure may be," *Tishrin*, a daily newspaper, declared. "Syria possesses the capability to repel all aggression and deal painful blows to the aggressors."

Al-Thawrah, another daily, commented: "It is a certainty that any aggression will not be a picnic for Israel, but will entail grave consequences because the masses all over the Arab world are determined to confront Israeli aggression and the forces supporting it."

Israeli leaders have stressed they do not want to aggravate tensions over the deployment. But they have said that the SAM-2's will seriously impede the ability of Israeli jets to conduct routine surveillance patrols over Lebanon to monitor military and guerrilla activity.

The Israeli Army said that three clusters of fixed SAM-2's, which have a range of 25 to 35 miles (40 to 56 kilometers), were installed.

The move was in retaliation for the Israeli downing of two Syrian MiG-23 fighter planes on Nov. 19 over Syrian territory.

Earlier, the Al-Baath newspaper of President Hafez al-Assad's ruling Baath Arab Socialist Party defended Syria's right to "deploy independently in territory whatever weapons necessary for its self-defense."

In Israel, meanwhile, Prime Minister Shimon Peres said Tuesday that although Syria is not interested in peace with Israel, it does continue to abide by its border agreements with the Jewish state.

His remarks appeared aimed at soothing tensions.

Mr. Assad "is not seeking peace with Israel, he is seeking what the Syrians call strategic parity," Mr. Peres told high school students in the central Israeli town of Lydda.

"The minute they give us a village inside Israel's 'security zone,'

In London, the Church of England said the Anglican envoy, Terry Waite, will return to Beirut on Friday to resume negotiations for the release of Americans held captive in Lebanon.

Meanwhile, a Lebanese-born French doctor, Razah Raad, acting for the French Foreign Ministry in negotiations over four French hostages in Lebanon, left for Beirut on Tuesday with Pierre Blouin, a diplomat, French officials said.

■ U.S. Asks UN Meeting

The United States asked Monday for an urgent meeting of the Security Council to consider the "serious situation created by acts of hostage-taking and abduction." Reuters reported from New York.

In a document entitled "Proclamation for the Founding of De

have strategic parity, they might have other thoughts, too," the prime minister said.

But Mr. Peres added that "until then, Assad is maintaining the agreements between Syria and Israel, the written agreements and more or less the nonwritten ones."

Israel and Syria signed a disengagement agreement after U.S. mediation in 1974, defining their border deployments on the Golan Heights. The two countries also informally established separate spheres of control in Lebanon.

■ U.S. Urges Redeployment

Earlier, Doyle McManus of the Los Angeles Times reported from Washington:

The Reagan administration has advised Mr. Assad that the easiest way to avoid a clash would be to bow to Israeli demands and withdraw the anti-aircraft missiles, officials said Monday.

U.S. diplomats in the Middle East have been relaying messages between Jerusalem and Damascus — and, on occasion, tacitly mediating between the two countries — in an attempt to defuse the standoff, the officials said.

The United States opposes any escalation of tensions or resort to military force," said Charles A. Redman, a State Department spokesman, reading a statement.

"Such actions would not be in the interests of Israel, Lebanon, Syria or the United States. Accordingly, we have called on Israel and Syria to exercise restraint."

In private contacts with the Syrians, U.S. diplomats have relayed Israeli assurances that the Nov. 19 shooting was an error and would not be repeated, officials said. They also have suggested that Syria could avoid a new escalation of hostilities by quietly removing the missiles out of range of Lebanese airspace, they said.

"We cannot tell them where to store their missiles on their territory," one official said. "But we can point out the dangers of the situation and convey messages."

But he said Israel's public warning to the Syrians had made it more difficult to ease the tension.

"The Syrians have been publicly challenged by the Israelis, and their people know that," he said. "They have to respond. They can't back down in public."

2 Former Algerian Leaders Join to Fight One-Party Rule

New York Times Service

LONDON — Ahmed Ben Bella, the first prime minister of Algeria after it gained independence from France, and Hocine Ait-Ahmed, another founder of modern Algeria, have formed a united front to oppose the one-party rule of the group they helped establish 31 years ago.

The National Liberation Front of yesterday is not the National Liberation Front of today," Mr. Ben Bella said Monday at a news conference, referring to Algeria's sole legal party.

In a document entitled "Proclamation for the Founding of De

mocracy in Algeria," the two men argued that the current government deprives Algerians of basic rights and liberties such as freedom of the press and due process of law.

Mr. Ben Bella, a charismatic figure in the struggle against the French, was elected prime minister in 1962. He was voted president a year later under a new constitution.

Deposed in a military coup in 1965, he was detained for 15 years in prison and under house arrest. He went into European exile in 1980 after he was freed by Colonel Chadli Bendjedid, Algeria's president since 1979.

Mr. Ait-Ahmed had escaped to Switzerland in 1966 after being sentenced to death. Last year, government officials announced that both he and Mr. Ben Bella would be welcome to return.

Mr. Ben Bella said Monday that although he was unsure what form the opposition would take, he hoped that it would be peaceful.

"There is violence," he said. "The regime is responsible. We hope our approach will be peaceful, but we don't condemn acts of despair."

In London, the Church of England said the Anglican envoy, Terry Waite, will return to Beirut on Friday to resume negotiations for the release of Americans held captive in Lebanon.

"Of all the things that people drink in Bombay, water has never figured prominently."

Most prefer Tonic in Bombay, Martini in Bombay or Orange in Bombay.

Indeed, anything that one would usually mix in Bombay.

But, let me assure you, there is no need to stay clear of the water.

Those rumours which infer that water does not mix with this most distinctive of imported London Dry Gins are well and truly ill-founded."

For the Record

The Wednesday launch of the space shuttle Columbia was postponed 24 hours after the countdown team in Cape Canaveral, Florida, fell behind in readying it for its first flight in more than two years.

(AP) Gay D. Talmay of Auburn, California, who says he married a fellow Soviet student in Moscow in 1978 in a so-far-fruitless attempt to help her emigrate, has been allowed to drop divorce proceedings.

President Nicolas Ceausescu of Romania announced Tuesday that he had been chosen against his wishes to succeed in the future, Ayatollah Ruhollah Khomeini, Iran's supreme leader.

Tehran Radio read a statement from Ayatollah Montazeri's office in which he said that he had written a letter to the Assembly of Experts, asking them to annul their decision made in November that he was the most suitable man to succeed Ayatollah Khomeini.

"Despite the wishes of my heart, I am faced with a fait accompli," the statement quoted Ayatollah Montazeri as saying.

Costa Rica Expels 200 Peace Marchers

SAN JOSE, Costa Rica (UPI) — Costa Rica has expelled more than 200 people traveling across Central America in an international caravan for peace, saying it could not guarantee their safety. Rightist protesters had thrown stones and tear-gas canisters at the group on Sunday, but nobody was hurt.

The 217 participants in the International March for Peace boarded five buses Monday and were escorted to the Nicaraguan border by police. The Costa Rican government had granted caravan members, who represent 20 countries, 72-hour visas but revoked them following the attack.

The public security minister, Benjamin Piza Carranza, said of the marchers, "Their presence was disturbing the peace." The caravan was called to support human rights and peace in Central America.

Moscow Welcomes Proposal

By West on Cuts in Troops

MOSCOW — The Soviet Union welcomed a new Western proposal on troop reductions in Europe on Tuesday as a sign of political dialogue but said it would not significantly reduce the level of Eastern-Western military confrontation.

Valerian Mikhailov, chief Soviet negotiator at the Vienna talks on cutting conventional forces in Central Europe, said the Western proposal, made Dec. 5, was in the spirit of the Irish Republic a formal voice in Northern Ireland.

"We are now carefully considering our response to the Western side to see to what extent it can contribute to progress at Vienna."

But he criticized the proposal for not going as far as a Warsaw Pact offer, made in February, to cut Soviet and U.S. troops by an initial 20,000 and 13,000 troops respectively and to include both sides' weapons in the reductions.

The chief shortcoming of the NATO countries, Mr. Mikhailov said, "is that it reduces no efforts for a real lowering of the level of military confrontation in Central Europe, substituting them with inflated requirements for verification."

The 19-nation Vienna negotiations, known in the West as the Mutual and Balanced Force Reduction talks, opened in 1973.

Pretoria Says Zimbabwe Affirms Vow on Rebels

The Associated Press

JOHANNESBURG — The South African government said Tuesday that Zimbabwe has restated its pledge not to allow guerrilla attacks to be launched from its soil after a land mine blast that killed six South African whites.

Meanwhile, two television cameras working for a British agency were arrested on charges

AMERICAN TOPICS

Uneasy Prosperity

At GM's Saturn Site

"For Sale" signs have sprung up everywhere in Spring Hill, Tennessee, current population 1,100, since General Motors announced five months ago that the Saturn subcompact automobile plant would be built there at a cost of \$3.5 billion — the biggest industrial investment by any American business at a single time and place in history. Land values are shooting sky-high. Out-of-town speculators were so numerous for a while that they had to wear arm bands to keep from trying to sell to each other, the Los Angeles Times reports.

Officials of the town, which is about 30 miles (48 kilometers) south of Nashville, and of surrounding Maury County are racing to prepare a comprehensive growth plan to prevent Spring Hill from taking on the "honky-tonk" look of commercial strips that have sprouted in other boom towns.

The plant will hire 6,000 workers and is expected to generate at least 10,000 additional jobs. Under an agreement with the United Auto Workers, half the plant's workers will be union members, largely from the North.

Bur Bobby Williams, pastor of the local Church of Christ, told his congregation not to worry: A former resident who had been a UAW member had reassured him "that many of the people who wanted to come down here are transplanted Southerners who'll want to come back down here. And some of them are Christians."

Short Takes

Twenty years ago, the National Association of Diaper Services had 200 member companies renting cloth diapers; now it is down to 110. Disposable diapers have cornered 70 percent of the \$3.5-billion-a-year diaper market.

But cloth diapers are making their way back. "They're softer on the skin," said Antis Agnew, mother of Christopher, 2, "and the disposable ones aren't biodegradable." Indeed, The New York Times says the plastic liner of a disposable diaper takes 250 years to decompose.

The unmanned spacecraft Pioneer 6, launched 20 years ago Monday, was built to last six



ROBOT ON THE BEAT — Phil Nolan, a New York policeman, lost his nightstick to a pint-sized Omnidroid 2000 from *Daily Planet*, a specialty outer-space store.

months, but it is still working. Following the approximate orbit of the Earth, but on the other side of the sun, it continues to send data about solar phenomena. Nobody listens; its functions have long since been usurped by newer instruments. But in a sentimental gesture, the National Aeronautics and Space Administration planned to tune in to the old workhorse for a few minutes this week.

The day after Bo Jackson, a black athlete at Auburn University at Montgomery, Alabama, won the Heisman Trophy as the best college football player of the year, U.W. Clemon, a federal district judge in Birmingham, labeled Auburn the most segregated institution in the state and gave Governor George C. Wallace until mid-February to devise a plan to remove remnants of segregation from Alabama universities. Except for times like the "presence of black athletes,"

— Compiled by ARTHUR HIGBEE

U.S. Congress, Stuck on Budget, Moves to Pass Another Stopgap Funding Bill

By David Espo

The Associated Press

WASHINGTON — The U.S. Congress, struggling through aicket of year-end legislation, approved Tuesday yet another short-term spending bill needed to keep my federal agencies in operation and prevent disruption of government services.

"Truly the system has broken down," said the Reagan administration's budget director, James C. Miller 3d. He spoke after the House of Representatives passed a third emergency stopgap spending bill since late September, and second in less than a week, and it to the Senate.

But lawmakers said there was plenty of blame to go around. Privately, they faulted administration officials for failing to push for passage of a long-term, \$370-billion budget bill. The bill, which indeed a large rise in defense spending was defeated overwhelmingly late Monday in the House.

The long-running drama over spending bill resumed while the use voted 258-168 to review tax-cut legislation, which President Ronald Reagan has called the item on his second-term domestic agenda.

With Congress already well beyond its original adjournment last week, several factors were responsible for the rejection of the long-term spending bill by a 239-170 vote: Liberal Democrats were angry over a large increase in military spending in a time of fiscal austerity.

Proposed Ban on Space Tests Assailed

New York Times Service

WASHINGTON — The White House and the Defense Department have sharply criticized a long congressional proposal to further testing of anti-satellite weapons, saying a ban would send wrong signal to Moscow.

Pentagon spokesman charged today that the proposed ban would give the Soviet Union "life-or-death power over a vital defense program."

He said the ban would undercut

control negotiations, impair national security and waste about \$10 billion already spent to launch

the new target date for adjournment appeared to be Wednesday or Thursday. Members of the two houses hope by then to have approved a \$52-billion farm bill, a company measure to cut out the Farm Credit System, and a measure to cut federal spending by as much as \$80 billion over three years.

The spending bill that was defeated Monday would have provided funding for the rest of fiscal 1986 for the departments of Defense, Agriculture, Transportation, the Interior and Treasury, as well as the General Services Administration, the Office of Personnel Management, the White House and a few other agencies that had not received their regular appropriations for the year. The fiscal year began Oct. 1.

The legislation was needed because Congress had passed only six of the 13 regular appropriations bills.

Despite the lapse in spending authority for many agencies, officials ordered no immediate shutdown of services.

The chief White House spokesman, Larry Speakes, said that if no interim bill were passed by Wednesday, nonessential federal workers would be told not to report to work.

House members, meanwhile, said several factors were responsible for the rejection of the long-term spending bill by a 239-170 vote: Liberal Democrats were angry over a large increase in military spending in a time of fiscal austerity.

Delta Pilots Are Safest, Paper Says

The Associated Press

The administration "had it right on the one-yard line and they flubbed," said Representative Silvio O. Conte of Massachusetts, the top Republican on the House Appropriations Committee. Republicans voted 119-55 against the bill.

Other irritants in the huge bill included a provision to cut off federal highway aid to states that did not raise the legal drinking age to 21. That affected Vermont, Wisconsin and Louisiana; the vote in those three delegations combined was 13-3 against the measure.

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According to the newspaper, citations were issued to the 17 airlines it studied at an average rate of one every 31,956 flights.

At Delta, pilots averaged one citation every 57,490 flights, while Continental averaged one citation every 15,600 flights.

The Heritage

de la reine

DC-8 Crash Inquiry Focuses On Power Reversal in Engine

By Richard Witkin
New York Times Service

NEW YORK — Investigators are focusing increasing attention on the possibility that the crash of a chartered airliner in Newfoundland last week was caused by a reversal of power in one of its engines.

This would be consistent with the sudden veering and speed loss that Canadian officials said the plane had experienced just before it plunged to the ground. But other possible causes of the crash last Thursday are being investigated.

Canadian investigators said that the Arrow Air DC-8 had reached a speed sufficient for a proper take-off before it decelerated and crashed.

According to officials close to the inquiry, an examination of the wreckage showed that the right outboard engine's thrust reversed, which helps to slow a plane on landing. The reversers on the jet's three other engines were properly stowed.

The plane's nose took an abrupt 20-degree turn to the right and the plane's speed dropped rapidly from the peak figure of 190 miles per hour (305 kilometers per hour). The heading and speed figures were obtained by the Canadian authorities from the data recorder retrieved from the plane.

But what if both right engines had failed?

The issue became increasingly clouded as industry officials disclosed that examination showed that all four engines appeared to have been producing high power at the time of impact. That determination can be made visually, according to experts.

An engine that was producing high power will shred compressor and turbine blades as the plane crashes. The process is known as "corn cobbing," because the compressor and turbine discs to which the blades were attached are reminiscent of a cob from which the kernels have been detached.

Some experts continued to suggest that failure to de-ice the jetliner at Gander might have contributed to the crash.

quoted by Reuters as saying that it led to the crash, while others insisted that the snowfall while the plane was on the ground would not have significantly affected its take-off.

Icing of a wing can dangerously increase weight and can diminish a wing's lifting ability by distorting the aerodynamic flow of air over its surface.

Suspicion of a power loss in one of the engines were reinforced by reports from industry officials that the right inboard engine of the Arrow Air plane had been having recent problems. One source quoted Federal Aviation Administration officials as saying that the engine had been using excessive amounts of oil.

Still, loss of a single engine should not, by itself, have precipitated a crash. The plane had attained a speed that was sufficient for continued acceleration and safe flight with only three engines operating.

The type of engine involved, the Pratt & Whitney JT3D, was a different model from the one that malfunctioned in previous accidents. The engines were properly stowed.

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NEWS ANALYSIS

plane by turning the jet exhaust sharply forward so that it exerts force in the opposite direction from that used to propel a plane forward.

To activate the reversers on a DC-8, a pilot must first pull back the throttle for a particular engine and then pull back another throttle-like lever attached to the reverser.

When the plane's sharp veering was first disclosed by officials investigating the crash, an immediate theory put forth by aviation experts was that engine power had been lost on the right side. But at the speed the plane was known to have attained before it was suddenly slowed, the crew normally should have been able to continue flying safely with just three of its four engines operating properly.

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Colombian Rebels Kill Civilian, 2 Policemen

United Press International

BOGOTÁ — Leftist rebels have attacked a town popular with tourists, killing two policemen and a civilian. The authorities said that other guerrillas hijacked two planes and used them to drop propaganda leaflets.

A military source said the rebels battled the police Monday in the plaza of San Agustín, 250 miles (400 kilometers) southwest of Bogotá. In addition to the three deaths, seven civilians were wounded, the source said. Military officials said other guerrillas hijacked two light planes Sunday and used them to drop leaflets before freeing the pilots and releasing the planes.

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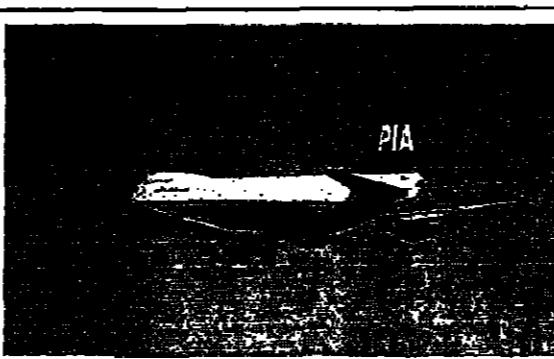


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Time to Shift Into Gear

The prices of raw materials — rubber, copper, sugar — are in a worldwide nosedive. It is the 1970s in reverse. OPEC can't hold the line against declining oil prices. The international cartel that guarded the price of oil collapsed in a flurry of uncollectible IOUs in October. It is hard not to cackle over chickens coming home to roost, but commodity deflation is a mixed blessing. The gains for the industrialized importers are mirrored by the losses of exporters, many of them very poor and deeply in debt. Western banks. Decency and self-interest require something better than gloating.

An array of raw materials that cost \$100 in 1980 now costs only \$74.30. Even after adjusting for the distortions created by a strong dollar, the purchasing power of most commodity exporters has plummeted. According to *The Economist*, the decline in one year saved the industrialized economies \$65 billion. Part of that is at the expense of wealthy oil producers, but oil prices have fallen less than those of most metals and farm products. The big losers include Bolivia, Ghana, and the Philippines.

One direct consequence is a shorter fuse on the debt bomb. Interest rates have declined by a third in the last three years, but declining commodity prices have offset the debtors' gain. Some debtors, including Peru, Chile, Ivory Coast and Morocco, owe more of their export earnings for debt service than in 1982. Their living standards are declining. Worse, they must reduce imports of capital equipment, losing the growth rate out of debt.

If low commodity prices are the problem, why not just raise them? In theory both producers and consumers could benefit from "buffer stock" agreements that soak up com-

modity surpluses when prices are low and that relieve shortages when prices are high. The Carter administration was inclined to cooperate in their creation. Even market-oriented Reaganites have quietly blessed a buffer stock agreement in coffee. But it is rarely possible to satisfy both buyers and sellers for very long; these agreements usually fall apart.

Treasury Secretary James Baker suggests that the quickest remedy is to reopen the loan windows of Western banks. That makes sense for debtors like Brazil and Argentina, which could use the extra capital productively. But loading more debt onto overburdened economies is a palliative at best. More effective relief requires more demand for Third World commodities, and lower interest rates.

The Federal Reserve could serve those objectives by liberalizing credit. But relying only on U.S. monetary policy would risk re-igniting inflation. The more prudent path would be for the advanced nations to coordinate economic policies. America's contribution would have to be to reduce its budget deficit markedly, easing the U.S. government's demand for private capital and letting interest rates fall. Japan and Western Europe would have to reduce taxes or increase government spending, stimulating imports of raw materials from the Third World.

The industrial countries agreed in principle to this division of responsibility last fall, but their good intentions have not been translated into policy. That is understandable: the Japanese Diet is as reluctant to increase spending as the U.S. Congress has been to reduce it. But with half the world's economy idling in neutral, the inaction by all is indefensible.

— *THE NEW YORK TIMES.*

Company Not to Keep

The Reagan administration's Central American counterterrorism bill repackages a dubious idea derived from a flawed premise. It would earmark \$54 million for hardware and training for police in El Salvador, Guatemala, Honduras, Panama and Costa Rica. The hope is to turn bad cops into good cops under the tutelage of Uncle Sam. Undeniably, Central America's police, underpaid and often overzealous, could benefit from better training. Most of the money would be spent in El Salvador, where the police face a resurgence of urban terrorism. But it is naive to assume that training alone can "professionalize" police in societies in which civilian authority is feeble, as in El Salvador, or nonexistent, as in Guatemala. The risk of involving the United States with police forces capable of torture or other atrocities far outweighs any benefit.

The risk is real. In Uruguay in the 1970s, U.S.-trained policemen tortured leftist suspects, and guerrillas executed a U.S. adviser accused of complicity. In El Salvador last June, a U.S.-trained military police team used excessive force to end a hospital strike. The

attackers killed a patient and four police guards whom they failed to recognize.

No U.S. training can overcome a failure of local authorities to control the police. "Disappearances" and torture were common during the Argentine military's dirty war against terrorism, but police behavior improved dramatically when an elected president took over in 1983. No special training was required. By contrast, El Salvador's well-meaning but weak government deems as a sufficient with security forces it only nominally controls. It is not police manuals that need changing so much as attitudes — as happened when President Reagan finally made clear that if death-squad killings did not cease, U.S. aid would.

In 1974, after the ugly business in Uruguay, Congress barred further aid for training foreign police. Already circumscribed in El Salvador, the restriction was lifted this year. Now, in the name of combatting terrorism, the administration wants to revive police training in a whole region. Unless it can make a better case for the operation, Congress ought to demand

— *THE NEW YORK TIMES.*

Other Opinion

A Hard Choice for Zimbabwe

The deaths of six white South Africans, four of them children, near the Republic's border with Zimbabwe, come after a succession of less horrible bomb incidents in that area. Although the Zimbabwean government denies that it is offering sanctuary to African National Congress guerrillas, it seems to be tolerating their presence. If the government does not really wish to act as a kind of host to ANC guerrillas it had better quickly get rid of them if it can. The South Africans are notoriously impatient in these matters and it may not even need one more incident of this sort for them to go into Zimbabwe in a spirit of retribution.

— *The Daily Telegraph (London).*

Babies, 'Dallas' and Democracy

Does population — its levels, its direction — influence cultural policy? Of course it does. Population ... influences power, economics and politics, and these factors clearly interlink with culture and values. Weak nations tend to emulate strong ones. Wealthy nations export goods and services that indirectly transmit values and culture. Why do American movies and television programs dominate the global market? Why don't Dutch movies and television programs dominate the global market? There is an economy of scale in many aspects of culture just as there is in military weaponry.

Nations populous and wealthy enough to build aircraft carriers can amortize the cost of a multitude of situation comedies, high-budget movies and traveling art exhibits. These products, already profitable or near break-even in a

large domestic market, can be sold overseas at relatively low incremental cost. And when "Dallas" is on every week in Algeria, on balance the West (believe it or not) benefits.

Democratic values are contagious. They have spread remarkably in the last two centuries. The democratic infection needs carriers. Who are the carriers? In recent centuries the United States, France, Britain and others. If these carriers are weakened in the relative scheme of things — by diminished demographic strength and its onward ripples — is it possible that the spread of democratic values may slow? Or stop? Or reverse?

— Excerpted by *The Washington Post* from a paper presented by Ben J. Wattenberg and Karl Zinnes at an American Enterprise Institute seminar this month.

A Peaceful Night for a Change

If someone has been gonging you on the head with a hammer for 30 years, do you mind it when it stops? After a week of watching British television I didn't year at all for the shriek and the frenzy of American television.

British television isn't always grabbing you by the collar and shouting "Watch me, watch me, watch me." It doesn't overflow with promos and辧anges and clamorous importunity. Often, indeed, it defies you to stay tuned.

The BBC has lost dignity and viewers, but it minds its manners. An announcer said, "This is as far as we come on BBC-1" and wished all our viewers "a very peaceful night." He didn't insist that we tune in again in the morning. From his tone of voice, he didn't care if we did.

— Tom Shales in *The Washington Post.*

FROM OUR DEC. 18 PAGES, 75 AND 50 YEARS AGO

1910: For a Neutral Panama Canal

PARIS — It is curious that at the very moment when President Taft is proposing an international conference to bring about a limitation of armament, he should favor the fortification of the Panama Canal, which will render a vast increase of America's armament. Friends of peace should demand not the fortification of the canal but the declaration of its neutrality under the guarantee of all the Powers. Such a declaration would place the canal zone outside the range of a possible war. Neutralization under the guarantee of the United States, France, Great Britain, Italy, Germany, Russia, Austria, China and Japan would be a more efficacious protection of its existence than any fortifications military genius could devise.

1935: Japan Stokes Chinese Anger

TIENTSIN — A new wave of Chinese nationalism is growing out of the increase of anti-Japanese sentiment. Chiang Kai-shek's promise to the nation that "China will not yield an inch to any power seeking to destroy her liberty" and parades of students and laborers protesting Japanese influence are manifestations of the opposition. Observers do not see any indication that the North China situation will become calmer in the near future. It is believed that Japanese penetration will continue until they have control of the five North China provinces and their 95,000,000 inhabitants. Meanwhile, a bomb was buried [on Dec. 17] at the residence of General Tada, commander-in-chief of the Japanese forces in North China.

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A Plague That Washington Encouraged

By Jefferson Morley

NEW YORK — The conviction of five Argentine military commanders for waging a "dirty war" against their own people is an encouraging precedent for democracy in Latin America. But democracy elsewhere in the hemisphere, especially in Central America, who have endured similar reigns of terror still find hopes of human rights trials elusive. Not the least of their burdens is the legacy of Reagan policy.

The Argentine death squads bequeathed their modus operandi to the death squads of Central America. The wave of state violence that began in Argentina in 1976, killing at least 9,000 people before it ran its course, struck El Salvador and Guatemala in 1979 and after. The cars without license plates, the kidnappings, the assassination of church leaders, the torture and the disappearance — all were methods tried first in Argentina and later borrowed by the Central Americans.

Arranging senior officers who oversaw this Central American terrorism would go a long way toward establishing democracy in the region. From the start there has been plentiful evidence that the violence in Central America — as in Argentina — has been largely directed from the highest levels of government. The problem is that many of the prime suspects have enjoyed the blessings of the Reagan administration.

In February 1981 Secretary of State Alexander Haig called for resumption of U.S. aid to Argentina on the grounds that Argentina had made "dramatic, dramatic improvements" in human rights. Jeane Kirkpatrick, then the chief U.S. delegate to the United Nations, held friendly meetings with a host of Argentine officers. General Roberto Eduardo Viola, who was sentenced

last week to 17 years in prison, was warmly welcomed at the White House in March 1981.

General Viola's counterparts in Central America received similar approbation in the first half of President Reagan's first term. In 1982, Reagan administration officials described Roberto d'Abuisson, the right-wing leader said to have close ties to the Salvadoran death squads, as a "fine young democrat" who could not be called an extremist. The administration allowed Argentine army advisors to train anti-Sandinist insurgents in kidnapping, assassination and torture. In December 1982 President Reagan himself downplayed the death squad rampages in Guatemala.

None of this softness on terrorism has been lost on democrats in Central America, and it

surely gives them pause. If President Reagan regarded mere criticism of the Guatemalan generals as a "bum rap" three years ago, how could he possibly believe that a formal indictment of those same generals would be justified today?

In some cases the attitude in Washington may even endanger Central American moderates. A Central American who publicly calls for prosecution of military officers involved in death squads knows that he may be the next victim in any case, but indifference from the United States makes it all the more prudent to keep silent.

The assistant secretary of state for inter-American affairs, Elliott Abrams, has told foreign reporters that the administration will support Central Americans whether they "decide to have a 100-percent amnesty" for officers involved in rights abuses or "decide to try everyone." The trouble is, as Mr. Abrams has admitted on other occasions, that Central American leaders have not been able even to discipline their military subordinates, much less put them on trial.

A congressional resolution supported by the administration, could clarify the U.S. position. It could hail Argentina for its impartial and unflinching approach to its own trial. The resolution should also state that any Latin American government that followed the Argentine example would enjoy the support of the people of the United States and, if desired, the assistance of the U.S. government. That would underline the U.S. position that democracy consists not just of elections but also of the rule of law.

The writer is associate editor of *The New Republic.* He contributed this comment to *The New York Times.*



Don't Ask Where the United States Really Stands

By Flora Lewis

WASHINGTON — Usually there are two uses for bargaining chips: bargain with them or save them. The Reagan administration has been trying to establish a third: to extract money from Congress for policies that Congress opposes.

This is not the only reason for the current disaffection between the White House and Capitol Hill just a year after President Reagan's triumphant re-election. But borrowed promises have contributed substantially to the strained relations between the legislators and the executive.

The two most flagrant cases concern missiles and Nicaragua.

When Congress balked at the request for 100 MX missiles, the president appointed a commission under Brent Scowcroft, a former national security adviser, to study the issue. When the commission recommended a compromise, a deal was made. Funds were appropriated for 50 missiles plus spares. In return, the administration agreed to go ahead with Midgetman, a mobile single-warhead missile that would escape the problem of MX vulnerability.

But now the administration has changed the policy and has offered the Russians a ban on all mobile missiles. It is highly unlikely that Moscow would accept, but the offer puts the whole basis of the Washington compromise in question. Further, the Defense Department has dawdled in drawing up specifications for Midgetman, so the designers can't work on it. The promise has not been explicitly withdrawn, but that certainly seems to be the intention.

The unvoiced reason is apparently that Midgetman, which would not need to be defended with anti-missile missiles, could undermine the argument advanced for "star wars." If you insist on defending big missiles, then you need more big missiles to defend, not little ones instead.

In a similar pattern, Congress was

persuaded to appropriate funds openly for the Nicaraguan "contras" with a promise that the United States would negotiate with the Sandinist government to seek a political settlement. But the negotiations have been stalled — not formally broken off, just not continued. Now Secretary of State George Shultz says the United States will not negotiate unless Nicaragua first makes an agreement with the rebels mediated by the church.

Something approaching this understanding seems to be developing with Angola as well. The ban on aid for the UNITA forces of Jonas Savimbi, the South African-backed rebel, was ratified with the argument that it would put pressure on the Angolan government to accept a deal in which it would expel Cuban troops in return for neighboring Namibia. Now Mr. Savimbi's essentially tribal group is being called "freedom fighters."

It adds the mind to try to figure out why any American administration would want to take over from South Africa the cost and serious political disadvantage of helping Mr. Savimbi. Aid would have to go through South African-controlled Namibia anyway, and the United States would share South Africa's opposition in the rest of Africa.

Administration experts are well aware that Mr. Savimbi cannot triumph in Angola. He is essentially limited to his tribal base, and if he is reinforced to the point of threatening the Luanda regime, the Cubans, with Soviet backing, would reinforce the government. This is a no-win war.

All three of these cases not only reflect a backing down from policies developed with difficult and delicate

compromises within the U.S. government. They also provoke the question of what U.S. policy is now.

But the answer offered from many parts of Washington is just another question: Whose policy are you talking about? In each case there are some people in the administration who want to stick with the decisions made, who want to pursue negotiations and there are some people who don't, who will use any excuse or play available to break away from the search for agreements. The two sides manage to give the appearance of an administration position by agreeing on short-term tactics — to help the Nicaraguan contras, for example — while they are really in conflict on the longer-term goals of the operations.

So nobody knows where the United States really stands on these important issues, and no announcement can be considered definitive. The battle of the Potomac goes on and on.

There has been a flurry of congressional attempts to take foreign policy initiatives in the last few years due to this vacuum and indecision. But Congress is just not equipped to take the lead. It can support or oppose, and grumble when it feels it has been tricked. That is what is happening.

The New York Times.

A President In Trouble As Premier

By Michael Barone

This is the second of two articles.

WASHINGTON — Ronald Reagan was not forced to break up America's governing coalition last May. It was chugging along just fine, working to produce a budget with a deficit a good deal smaller than what Mr. Reagan proposed. Just about every practicing politician believes that the deficit is too high, that it is producing a trade deficit and an overvalued dollar that are costing Americans jobs and producing high interest rates. So Tip O'Neill and Bob Dole set to work to produce budget resolutions for cuts in domestic and military spending and a freeze on Social Security. The president signed on.

Then crunch! Mr. Reagan reversed position. He wanted to keep his campaign promise (exerted by Democrats) not to cut Social Security; he did not want to commit to any cuts in the Pentagon's budget; he wanted to keep blaming the deficit on domestic spending by Congress. Most of all, he did not want a tax increase.

Suddenly he was acting like a prime minister, taming a recalcitrant Chamber of Deputies rather than as a president above the fray.

The president in Italy is a ceremonial figure, a kind of constitutional monarch who functions politically as no more than a referee. Much of the time Ronald Reagan seems to have functioned in just this way. But on the big central issue he evidently sensed that the grand coalition's underlying policy was to raise taxes. So he decided to derail the coalition and take on the premiership himself.

The rest of the political year has consisted of efforts by other politicians to assemble different governing coalitions, and the foiling of those efforts by Ronald Reagan. The question is whether he can build a stable majority for his own policies.

In the process the focus of politics has shifted wildly from the budget resolution to tax reform to trade

Marlboro

Marlboro

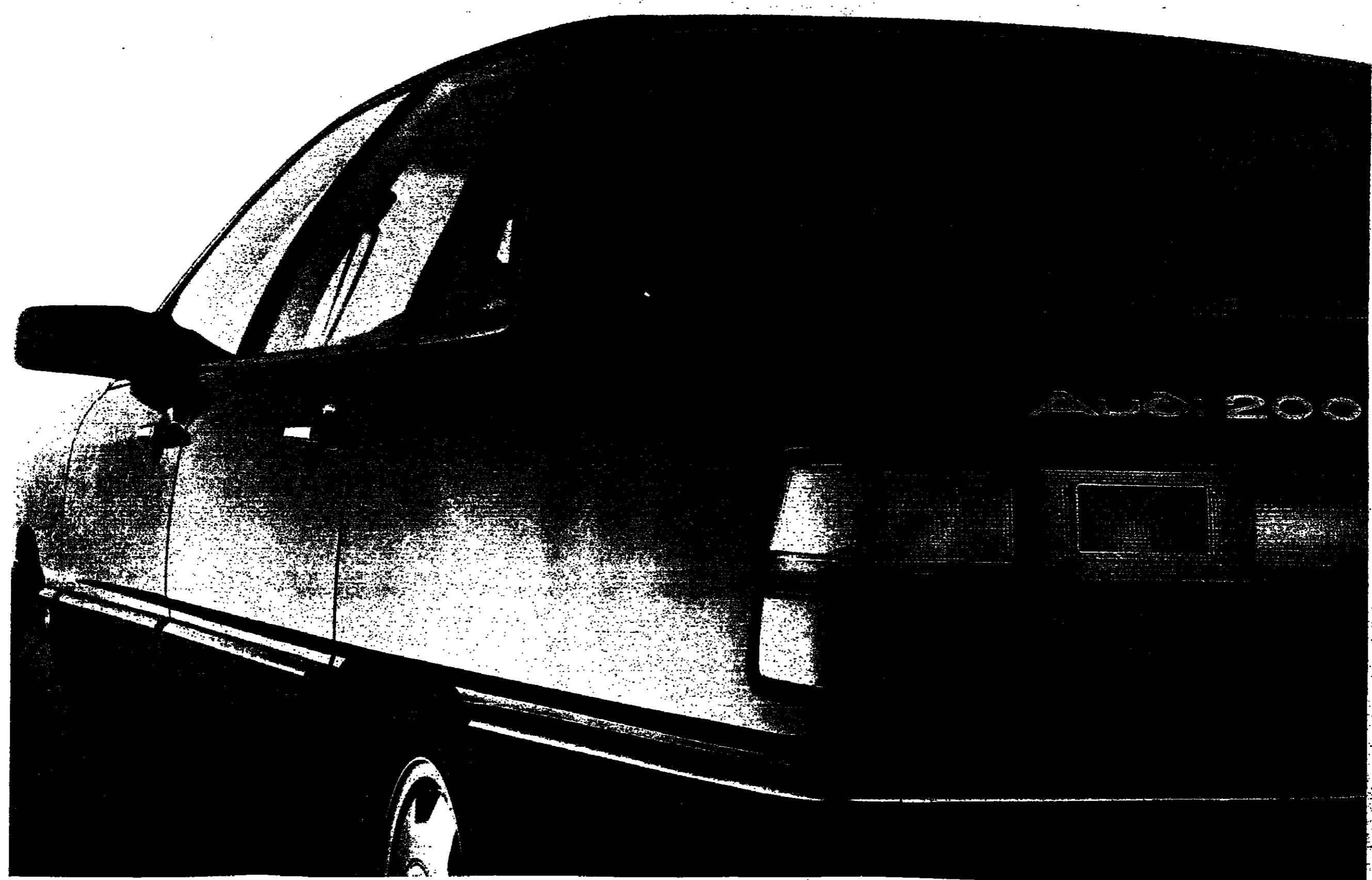
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EC Ministers Set Changes In Treaty Of Rome

By Steven J. Dryden
International Herald Tribune

BRUSSELS — European Community foreign ministers formally approved on Tuesday changes in the EC's founding treaty made earlier this month.

Italy and Denmark maintained their reservations on revisions in the 1957 treaty. Their objections are the two major obstacles to the unanimous agreement required for adoption of the changes in the Treaty of Rome.

A spokesman for the Netherlands, which takes over the EC's rotating presidency next month, said his government hopes to secure the agreement of Italy and Denmark by the end of January.

The Dutch spokesman said the foreign ministers who met to resolve remaining differences made only minor alterations in the agreement, which was reached Dec. 3 in Luxembourg. The ministers approved a preamble and texts setting out the treaty revisions.

Among the revisions approved in Luxembourg were an increased use of majority voting to replace the need for unanimity, greater foreign policy cooperation and a modest increase in the powers of the European Parliament.

Italy wants more substantial powers for the parliament, while the Danish government has been bound by the objections of its own legislature to any changes in the Treaty of Rome.

A spokesman for Giulio Andreotti, the Italian foreign minister, said that the foreign ministers approved two alterations in the Luxembourg package that might meet his country's objections. One of the changes would strengthen the "direct dialogue" between the European Parliament and the EC Council, the community's chief decision-making body, the spokesman said.

The other alteration clarifies the ability of the EC to increase cooperation on monetary policy without calling an intergovernmental conference such as the one held by the community this fall, the spokesman said.

Italy's final position on the changes, the spokesman said, would depend on the opinions delivered next month by the Italian Parliament and the European Parliament. The European Parliament has said that the Luxembourg agreement gave it insufficient powers.

The position of Denmark is more delicate because of the objections of its legislature to any treaty changes, EC officials said. Several diplomats said they believed the Danish government, in effect, would have to challenge the legislature to decide whether to stay in or leave the community.



SPACE VISIT — The Naval Observatory in Washington photographed Halley's comet seeming to pass the star Gamma Pisces. The comet was 75.9 million miles from Earth, traveling at 70,000 mph. But the 3.7 magnitude star was really seven million times farther away.

Shultz, in Yugoslavia, Assails Hijacking of Achille Lauro

(Continued from Page 1)

With respect to Iraq, he seems to have been welcomed there. That's different, and it constitutes much more of a problem."

Despite that situation, Mr. Shultz said in an airborne briefing between Budapest and Belgrade, the United States did not plan to take any action against President Saddam Hussein's Iraqi government. He specifically rejected the idea of putting Iraq back on the U.S. list of countries officially regarded as aiding terrorism.

Iraq was removed from the terrorist list three years ago. Since then, Washington, which has tilted toward Iraq in its Gulf war against Iran and which has sought Iraqi support for efforts to rejuvenate the Middle East peace process, has insisted that Iraq had stopped aiding and harboring terrorist groups. Belgrade from Budapest, Mr. Shultz said:

"We don't have any plan to do that," Mr. Shultz said. "These people like Abbas move around from one country to another. We're not going to put every country he goes to on the terrorist list."

Gandhi's Party Is Trailing in Assam

United Press International

GUWAHATI, India — The ruling party of Prime Minister Rajiv Gandhi appeared Tuesday to be headed for a solid electoral defeat in the racially torn state of Assam.

Early returns from Monday's peaceful voting showed Mr. Gandhi's Congress (I) Party running second in a three-way race despite its four-day campaign swing through the state last week.

Election officials in Guwahati, the state capital, said that with more than half the vote counted for the 124 state assembly seats, the Assam Gana Parishad, or Assam People's Front, was leading in 38 constituencies, and Congress (I) led in 20.

Minority parties, such as the Communists and the tribal and immigrant parties, were leading in 22 constituencies.

Officials said that no trend had emerged in the 14 contested national Parliament seats.

If the Congress (I) Party loses most of the state assembly races, it could be the second major defeat for the prime minister's party this year. On Sept. 25, his ruling party

was swept aside in a landslide in the northern state of Punjab by the Sikh Akali Dal party.

The election in Assam was the first since February 1983, when voting led to violence among the state's volatile mixture of Hindus, Moslems and tribal groups. About 4,000 people were killed in the violence.

The recent campaign centered on a single issue: Mr. Gandhi's agreement with the majority Hindus on Aug. 15 to expel more than two million Moslem immigrants who have entered Assam from Bangladesh since 1971. The accord also calls for Moslems who entered Assam from 1966 to 1971 to be disenfranchised for 10 years.

Many of Assam's 8.5 million Hindus, who are represented by the newly formed Assam Gana Parishad political party, praised the accord.

The state's 5 million Moslems, who were the main target of the 1983 violence, opposed the pact, saying it skirted the issue of where they would go when they left Assam. Bangladesh has said it will not take them back.

Paul Castellano, who was shot to death Monday, was reputed to be the head of the largest of the five groups, the Gambino group.

According to a 1983 estimate by the New York Police Department, the Gambino group has 250 full members and 550 associates. The police report termed it "the largest, most influential criminal organization in New York City."

Mr. Castellano was a cousin and brother-in-law of Carlo Gambino, who headed the group that bears his name from 1957 until his death of natural causes in 1976.

All five crime groups are headed by successors to the founders. Only one of the founders, Joseph Bonanno, is still alive. Mr. Bonanno, now 80, has been inactive on the New York scene since the mid-1950s.

The Bonanno group is currently headed by Philip Rastelli, 67, of Brooklyn, according to the federal racketeering indictment under which Mr. Castellano, Mr. Rastelli and other alleged Mafia leaders were put on trial.

A third group, named after Joseph A. Colombo, has as its acting head Genaro Langella, also known as Gerry Lang, according to federal authorities. Mr. Langella, 46, lives in Brooklyn. He is another of the defendants in the ongoing federal racketeering trial in Manhattan. Mr. Colombo died in 1978.

A fourth New York organized-crime group identified by the authorities is named for Thomas Lucchese. Its present leader is Anthony Corallo, who is 72 and lives in South Oyster Bay Cove, New York.

The fifth group is named for Vito Genovese, who died in 1969 while serving a 15-year sentence on narcotics charges. The group's present leader, according to the federal indictment, is Anthony Salerno, 73, of Rhinebeck, New York.

New York's 5 Mafia Groups

New York Times Service

NEW YORK — For more than three decades, five major organized-crime syndicates in the New York area, collectively called the Mafia or La Cosa Nostra, have been known to law enforcement officials.

The leaders of the five groups were indicted this year for being members of a "commission" that federal prosecutors say governs the group's participation in such illegal activities as narcotics trafficking, loan sharking, gambling, labor racketeering, automobile theft, truck hijacking and extortion.

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Britain Unveils Plan to Revamp Welfare System

The Associated Press

LONDON — Britain's Conservative government unveiled details on Monday of a plan to modernize the country's social welfare system and make it more economical.

The opposition said the proposed changes would hurt the poor. Calling the plan the most significant reform of the socialist-inspired welfare system since it began 40 years ago, the social services secretary, Norman Fowler, said the changes would cut costs and help those most in need. Most of the changes would not go into effect until 1988.

"The aim will be to achieve a modern social security system directing help where it is needed," Mr. Fowler told the House of Commons in announcing the plan.

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"The government is trying now to halve the huge cost of the pension plan, which it says would rise from £200 million (\$288 million) at present to £25.5 billion by the year 2033 unless changes are made."

The government proposes to substantially reduce benefits from the supplementary state pension plans, while encouraging individuals to buy private pension plans. Widows' pensions would be cut in half.

Spending on housing benefits would be reduced by about £450 million but 200,000 low-income working families with children would receive a new family credit.

Disabled people with low incomes also would benefit from special premiums, Mr. Fowler said.

The government would abolish the automatic maternity grant to every mother, replacing it with a bigger grant to mothers from low-income families only.

People on welfare would have to pay at least 20 percent of their

property taxes instead of having them paid by the government.

Sir Terence Beckett, director

of the Confederation of British Industry, said the reform package "shows sensible thinking from a government which has wisely listened to advice."

Norman Willis, general secretary

of the Trade Union Congress, an umbrella group, said of the reform package, "Instead of addressing itself to the issue of present and future social needs, it has embarked on a cost-cutting exercise."

Comecon Plans a Technology Drive

Reuters

MOSCOW — Soviet-bloc prime ministers met Tuesday to put the finishing touches to a plan for developing the new technology needed to modernize the Communist economies.

The 15-year program drawn up by the Comecon economic grouping is seen by Western experts as a reflection of the importance that the Soviet leader, Mikhail S. Gorbachev, attaches to closing the gap between the Soviet Union and the West.

The prime ministers' meeting was called six months ahead of the next scheduled Comecon session, suggesting that the Kremlin was impatient over delays in devising the plan.

Some Western diplomats say that such a plan is vital if the Soviet Union is to match U.S. efforts in developing a space-based missile defense.

The meeting, chaired by Nikolai L. Ryzhkov of the Soviet Union, was attended by the heads of government of Czechoslovakia, East Germany, Bulgaria, Hungary, Romania, Poland and Mongolia as well as deputy prime ministers from Vietnam and Cuba.

In a speech summarized by the Tass news agency, Mr. Ryzhkov said it was clear that there had been problems in drawing up the program. "It is perfectly obvious that it has not been simple work, taking into account the circumstances of the most developed countries in East Africa."

Lieutenant General Tito Okello,

71, the head of the Ugandan military government, said he was confident that the accord would bring "stability, prosperity, national unity and democracy" to Uganda.

Mr. Museveni, who led a guerrilla war for nearly four years against Mr. Obote's government before taking on General Okello's forces, vowed to abide by the provisions of the agreement. But he said that it would "have no purpose" until government soldiers who had committed atrocities against civilians were punished.

Diplomats said the delays stemmed from longstanding differences among Comecon members over the extent to which they should coordinate their economies.

The Kremlin has sought greater coordination within Comecon, long devoted purely to trading, requiring member countries to specialize in certain fields and tailor

their industrial plans to the needs of all members and to the Soviet Union in particular.

Moscow has used Eastern Europe's heavy dependence on Soviet oil as a lever to bring about closer alignment of industrial plans, investment in Soviet energy industries and a higher quality of exports to the Soviet Union.

Human rights groups have estimated that more than half a million Ugandans have disappeared during the past 15 years.

The National Resistance Army greeted the peace agreement Tuesday by releasing 39 hostages from a Uganda Airlines flight hijacked on Nov. 10.

Delegate of Red Cross Shot to Death in Angola

Reuters

GENEVA — A Swiss delegate of the International Committee of the Red Cross was shot to death Monday night on a beach near Lobito in Angola, the Red Cross said Tuesday.

Marc Blaser, 21, had gone to Angola in October as a radio operator on his first mission for the humanitarian organization. The Red Cross said an inquiry had been opened to determine the circumstances of the attack.

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Business takes off with Falcon

INSIGHTS

Space-Based Defense Research Progresses: The Vision vs. the Reality

(Continued from Page 1)
 Some in the hope that this will kill off prospects for an arms control process that they say harms U.S. interests. Some State Department officials want to use the SDI as a bargaining chip for cuts in Soviet offensive forces.

The parties within the administration and Congress to these various disputes — over the goals of defending people or weapons, standards for judging prospects and arms control — have reached a kind of equilibrium. Neither side prevails. The result is that the established policy and the programs chug right along, more slowly than if there were unity, but forward nonetheless. Even some Soviet officials wonder aloud whether the march toward space defenses can be stopped.

The single most compelling reason for this is the force of Mr. Reagan's commitment and vision of transforming nuclear strategy from deterrence based on the threat of retaliation to peace based on effective defense. Administration skeptics say they dare not question this vision. Legislators raise plenty of questions but say they think it necessary for reasons of prudence and politics to approve funds to keep the initiative going.

There also is the cloudiness of the critics' position. The critics say they favor only research, and the U.S. administration responds that it is doing only research. The critics say defenses are unaffordable, unworkable and bad, but that case is difficult to make conclusively before more research is done.

Businesses Are Lured By Lucrative Contracts

And there is the allure of exotic technologies. So much that seemed impossible in the past is a reality now. Businesses and research institutions are being drawn into the space-research orbit by lucrative contracts. European allies who express alarm about arms control and the undermining of alliance strategy are tantalized by the research money and technology.

But there also are countervailing pressures. In particular, Congress and the administration will be wrestling with increased efforts to cut military spending generally.

Nonetheless, the consensus is that a continuing and probably extensive research effort is virtually inevitable. This is particularly true as long as the Soviet Union also seems bent on some sort of space- or land-based missile defense, although the precise nature of what that is remains unclear.

Representative Les Aspin, a Wisconsin Democrat who is chairman of the House Armed Services Committee, said the "commitment to SDI has grown substantially, even though its feasibility and good sense have not been better demonstrated today than they were when the president first spoke of the idea."

"There's the feeling that there's no really big decision to make now because it's just a research program," he said.

"Given all the factors," he said, "we have no real other choice than to do this, which means keeping the program going but at a slower pace."

In the process, Mr. Aspin said, "the real danger is that we will end up destroying the idea of deterrence without achieving the perfect world of defense."

In March 1983, when Mr. Reagan began his program, he attacked the traditional theory of deterrence by retaliation as immoral and unreliable. His goal was grand, to make nuclear weapons "impotent and obsolete."

Several U.S. officials now acknowledge that this went too far too fast. Even if Mr. Reagan's vision comes to pass, it might be 20 years or more away. In the meantime, the United States would have to rely on offensive forces and deterrence through retaliation. So, officials say, they began to tone down their public statements somewhat, to "enhancing deterrence." Along the way, the goals were left some confusion.

On May 30, according to the officials, Mr. Reagan issued National Security Decision Directive 172. It stated bluntly: "U.S. policy supports the basic principles that our existing methods of deterrence and NATO's strategy of flexible response remain fully valid, and must be fully supported as long as there is no more effective alternative for preventing war."

Based on this, the Reagan administration published a special report in June. At one point, in accord with the directive, it proclaimed that "successful SDI research and development of defense options would not lead to abandonment of deterrence but rather to an enhancement of deterrence and an evolution in the weapons of deterrence through the contribution of defensive systems."

But the original goal also found its way into the report: "The purpose of the defensive options we seek is clear — to find new means to destroy attacking ballistic missiles before they can reach any of their potential targets." The emphasis, the report said, is on "eliminating the general threat posed by ballistic missiles."

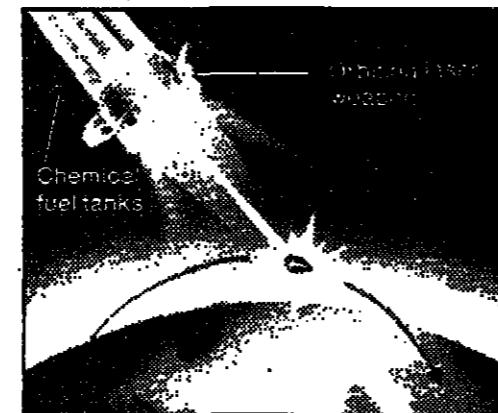
The report added that "the goal of our research is not, and cannot be, simply to protect our retaliatory forces from attack."

Choice of Defending Missile Silos or People

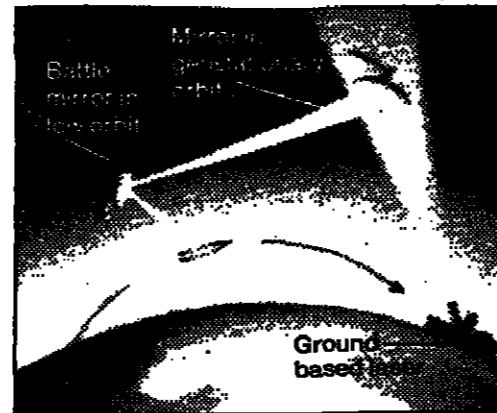
Tucked away inside this larger debate is a more immediate question, namely whether initial SDI deployments should be used to defend missile silos and other military targets or whether they should defend people.

U.S. officials are at pains to deny that they

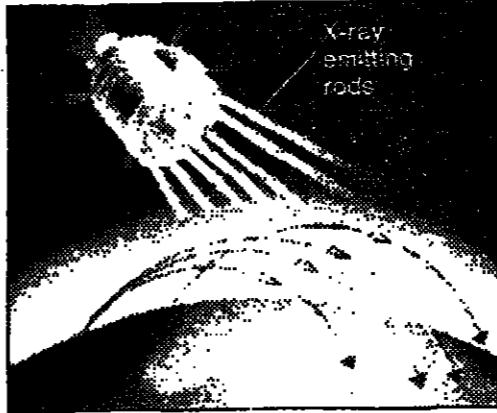
Progress and Problems: The New Exotic Arms



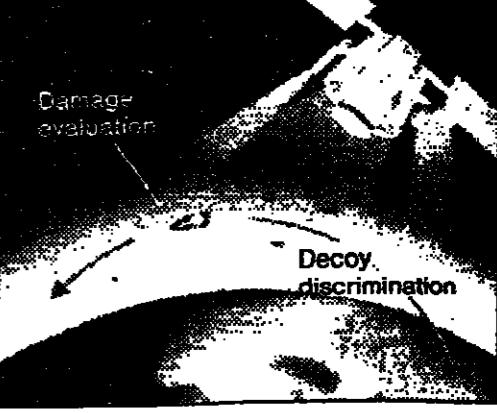
Space-Based Lasers: In theory, these would combine chemicals in the manner of rocket engines to fire beams of concentrated laser energy through space. Lately, they have lost luster because of fears about the vulnerability of space-based objects.



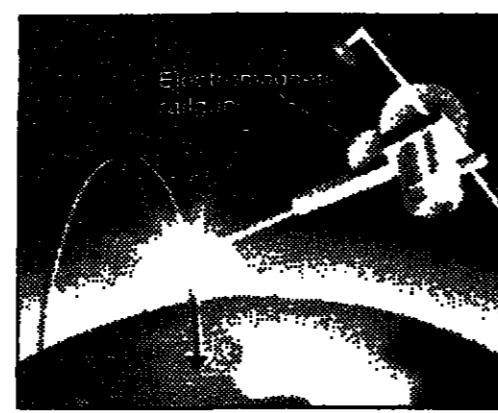
Ground-Based Lasers: These devices, especially free-electron lasers, would bounce beams off orbiting "battle mirrors" toward enemy missiles. Such systems, which are cheaper because heavy lasers need not be lifted into space, are viewed as less vulnerable to attack.



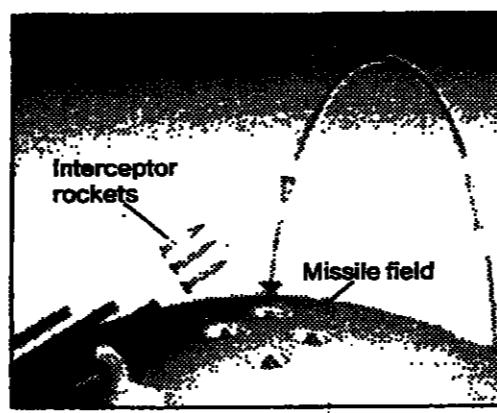
X-Ray Lasers: Powered by nuclear bombs, these would fire beams of X-rays at targets before consuming themselves in fireballs. Small and light, they could be "popped up" into space as needed. But problems in their testing have cooled enthusiasm.



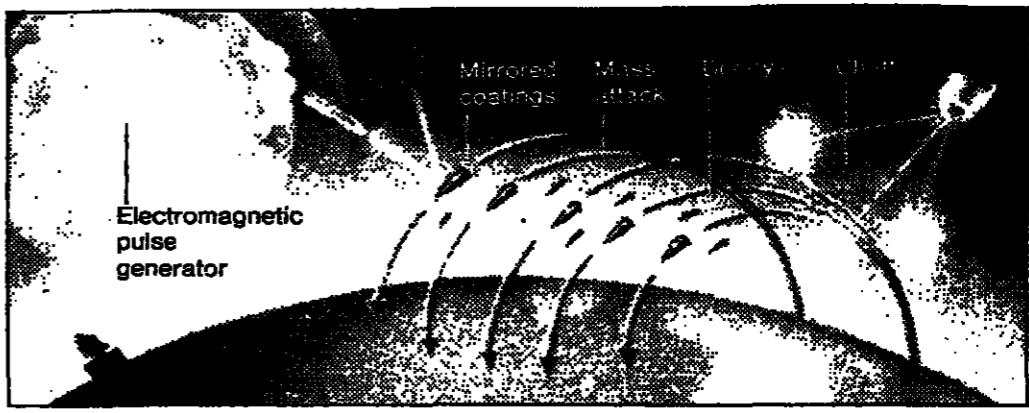
Space Sensors: These "eyes" would be critical for coordinating battles and knowing which missiles and warheads had slipped through the defensive shield. An emerging hurdle is seen as quick digestion of sensor data and its relay to military commanders.



Railguns: These devices, based in space, would use electromagnetic fields to accelerate and launch "smart" projectiles to home in on enemy boosters. The small projectiles are envisioned as something similar to those recently tested in American antisatellite weapon.



Ground-Based Interceptors: Using conventional rocket technology, these would be used to destroy enemy warheads during final phase of their flight, just before they hit targets. Such interceptors are often viewed as ideal for defending fields of American missiles.



Countermeasures: An enemy could try to outwit a shield by attacking it or by complicating its job. Chaff dropped from missiles could confuse space-based radars and sensors. Decoys could complicate targeting. Missiles and warheads with mirror-like coatings could reflect laser beams.

Most challenging of all, an exploding nuclear warhead, set off accidentally by defender or intentionally by enemy, would send out electromagnetic pulses that would wreak havoc in electrical systems in space and on earth.

Drawings by Jim Leder/The New York Times

have any intent of turning Mr. Reagan's vision away from defending people toward defending weapons. Many of them say they think this would knock the bottom out of public support for the effort. But some legislators, like Mr. Aspin and Senator Albert Gore Jr., a Tennessee Democrat, maintain that protecting military targets is the real goal.

Talking of the first stages of deployment, Fred C. Iide, undersecretary of defense for policy, said, "The first impact of ballistic missile defense of the new technology rather than the traditional defense will be to make it more difficult for the aggressor to destroy all missile silos and command and control centers."

The publicly expressed concerns and the logic of U.S. policy have tended to go more in the direction of defending military targets from the beginning. When Mr. Reagan spoke of "the window of vulnerability" in his first years in office, that is what he meant — that U.S. missiles and command centers were vulnerable and needed to be defended. This problem has never been solved, although two years ago a Reagan commission on strategic forces said that the problem never existed in the first place.

Nevertheless, many top U.S. officials call this their No. 1 strategic worry, and say missile defense is the only answer.

They reason that the best way to solve this problem is to get Moscow to get rid of its large land-based missiles, but the Russians will not go along.

A second possible solution is to deploy mobile missiles, which would be less vulnerable. But Washington has proposed banning these because Moscow would have an advantage, being able to deploy them anywhere in the Soviet Union.

A third possible solution is greater reliance on submarine-launched missiles. But there is no telling how long submarines can remain invulnerable.

That leaves Washington, according to the reasoning, with its fourth and last option: defending its missile sites.

A senior U.S. arms control adviser said in an interview that "without SDI we have real problems sustaining deterrence."

In the absence of further offensive agreements, this adviser and others contend that laying the basis for population defense could ultimately force each side into offensive buildup.

Even as the debate over protecting people or weapons continues, a new and equally contentious one is brewing over Judge directive says, "Within the SDI research program, we will judge defenses to be desirable only if they are survivable and cost-effective at the margin."

Whether the system will be able to survive an attack is a question that will not be answered for

some time. In the meantime, SDI progress was to be determined by whether research would show that it would be cheaper at the margin — that is, after all the basics are paid for — to add a unit of defense or an offensive warhead.

The notion here is that if adding offenses would be less expensive, defenses would make no sense. Mr. Nitze, the State Department's senior arms-control adviser, first used this criterion a year ago as a key test of the system's prospective cost-effectiveness.

But on Oct. 31, before the Senate Foreign Relations Committee, Mr. Weinberger was asked about this idea.

He responded: "Well, I have to say, senator, that I really do not know what cost-effective at the margins means. It is one of those nice phrases that rolls around easily of the tongue and people nod and rather approvingly because it sounds rather profound."

Mr. Iide and Mr. Perle say defenses will make nuclear war less thinkable, not more so. "From the moment deployment of defenses begins," Mr. Perle said, "you've complicated Soviet calculations for a first strike. Because of the defenses, Moscow could not count on being able to destroy enough of the retaliatory forces to make a first strike worthwhile."

But from a wide range of U.S. military and civilian planners, it appears that, as one of them put it, "We have not begun to think about, let alone explain to others, exactly what combinations of offenses and defenses would end up making the balance more or less stable."

Besides, the general view among these experts is that the transition from offenses to defenses could not be made safely without Russian cooperation.

Mr. Gore said: "Any decision to discard this country would strip the program and the concept of its last shred of intellectual legitimacy. It would only stimulate a race to deploy offensive countermeasures. This was the realization that led us to the ABM treaty in the first place. If they do this, they're saying, 'Damn logic, damn reason, damn debate, full speed ahead!'

How to Switch Strategy From Offense to Defense

As these problems are resolved, Washington also will have to tackle the question that has given official planners the most trouble: namely, how to make the transition from a world dominated by offensive nuclear forces to one dominated by defenses.

For four decades, defense has rested on the idea that no matter which side struck first and no matter how vigorous the blow, the other could and would retaliate with a devastating blow. Thus, both would know there could be no meaningful victory, and neither would strike first. Washington contends that deterrence

based on the threat of mutual annihilation is immoral. Further, it insists that technologies in the making will allow Moscow to make first strikes that could be successful.

The transition period, in which Washington envisions a combination of offenses and defenses, could last 10, 20 or 30 years. In the opinion of many, like Mr. Aspin, this period "would be far more dangerous and unstable than anything we've lived through so far."

The nightmare some imagine is that, for the first time, nuclear war might be made thinkable, and military planners would be able to calculate nuclear victory as follows: a first strike that knocks out more than 90 percent of the victim's offensive nuclear forces, plus defenses good enough to blunt most of what remained for a retaliatory blow.

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Persuading Moscow To Accept SDI Plan

Washington's public position on getting Soviet cooperation is upbeat. Mr. Iide said agreement "won't come soon," but added: "In the long term, it is far more plausible that the Soviets will agree with us on the new strategic order that eliminates mass destruction of the Soviet Union if nuclear war were to break out."

To bring Moscow along, Mr. Reagan has offered to share SDI technology, although in private conversations, few in the Reagan administration say this would be plausible.

Mr. Reagan also has ordered that all SDI programs be conducted in accordance with a "strict interpretation" of the Anti-Ballistic Missile Treaty. Even critics of the program concede that this structure has been followed, with the arguable exception of one or two planned tests. The SDI testing program has been limited to subcomponents, as distinguished from anti-ballistic missile components or systems themselves.

This structure has been followed despite Washington's assertion that the treaty actually

allows development and testing of components and full systems of the new technologies.

Many arms experts dispute this interpretation, among them Gerard C. Smith, the chief negotiator of the treaty. But the master remains moot as long as the White House continues to say it will not avail itself of the supposed legal rights.

In any event, Mr. Reagan tried to convince Mr. Gorbachev of the virtues of space-based defenses at their meeting in Geneva last month. By all accounts, he got nowhere. Moscow's position remains that it will agree to cuts in strategic nuclear forces only if Washington agrees to restrict SDI to laboratory research.

As far as Mr. Smith is concerned, these positions will continue to block a treaty. A sizable number of U.S. officials agree with him. "The alternatives are clear: arms control or a shot at developing defenses," Mr. Smith said. "As long as the president sticks to his position, we will have no arms treaty."

Even if Moscow were to show interest in negotiating a transition from offense to defense, it is far from clear that the Reagan administration is in a position to lay out how to do so.

As Mr. Iide said: "It's hard to talk to the Soviets about something we ourselves haven't thought through completely. We could discuss the transition only in the broadest terms."

He added that the negotiations would be so "immensely complex" that "it might be prudent to steer this through tacit arrangements" rather than through a signed treaty.

The betting inside and outside the Reagan administration is that Moscow's most likely response to SDI development will continue to be threats of more missile deployments. That view was bolstered inadvertently in a letter Mr. Weinberger sent to Mr. Reagan just before the summit meeting.

In it, Mr. Weinberger wrote that if Moscow were to deploy defenses, "even a probable territorial defense," such a development "would require us to increase the number of our offensive forces." This stands in direct contrast to Washington's public position, a basic principle of its negotiating stance that defenses should make it easier to reduce offensive forces.

March of Technology Eroding Arms Control

With the arms talks stalled, one-sided decisions by both nations and the march of technology are moving to erode the old order of the Anti-Ballistic Missile Treaty, the world in which the superpowers agreed to maintain peace through the threat of mutual annihilation rather than through defenses.

That was a major conclusion of a recent report by the Office of Technology Assessment,

a research arm of Congress. "The inherent limitations of language and the rapid pace of technology," the report said, "make it impossible to develop clear, unambiguous and objective standards by which to measure all possible research programs" covered by the treaty.

One of many examples the report cites is one element of the space-based defense system called the "airborne optical sensor." The Pentagon plans to test this element to determine the feasibility of using optical sensors from an aircraft. Calling the element an adjunct or a sub-component, the report says, "depends less on objective determinations of capability than on one defines those terms."

The report also notes Moscow's deployment of a radar at Abalakovka, in Siberia. U.S. officials say the installation is a ballistic-missile early warning radar and it violates the treaty stipulation that such radars can be situated on the peripheries of the two nations.

The treaty permits space-tracking radars to be placed anywhere, and does not define the two kinds of radars. Moscow insists the Abalakovka radar is for space tracking and thus is not a treaty violation. There is no disputing the fact that the deployment of such radars in numbers in both countries would clearly defeat the purpose of the treaty.

Also, because the treaty only limits defenses against strategic, or long-range, missiles, Moscow has moved sharply to develop ballistic missile systems, sometimes known as anti-tactical systems. Washington is now talking about developing its own weapons against medium-range missiles.

The report also points to "the great overlap" between anti-satellite technologies and anti-ballistic missile technologies. Moscow has a military anti-satellite weapon, and Washington is testing a more advanced one. Moscow has proposed a ban and Washington has rejected the idea.

"The great loophole in the ABM Treaty," Mr. Smith said, "is not whether it permits the development of new exotic technologies, but whether, under the guise of anti-satellite weapons and anti-tactical ballistic missile systems and radars, anti-ballistic missile defenses will emerge anyway. As I understand, the administration intends to do just this." U.S. officials deny that this is their purpose, but acknowledge that they plan to move ahead in these areas. Moscow has already done so.

Amid all the complexities and contradictions, one point is clear: In the absence of new agreements to close gray areas in old treaties and to ban or limit the development of new technologies, anti-ballistic missile capabilities will increase significantly on both sides in the coming decade.

TOMORROW: The rift among SDI researchers

Anti-Foreigner Sentiment Boosts Swiss Rightists, but Shift Is Seen as Temporary

By Lisa Schlein

International Herald Tribune

GENEVA — Despite unexpected victories by two rightist parties in parliamentary elections in Geneva and Lausanne this fall, political observers do not believe Switzerland is moving very far to the right.

Instead they interpret the vote as part of the regular swing of Swiss political sentiment over the last two decades.

In the overwhelmingly successful campaigns of both the Vigilance Party in Geneva and the National Action Party in Lausanne, foreign residents of all kinds — refugees, foreign workers, international civil servants and executives with multinational companies — were blamed for the severe housing shortage in the two cities. Campaign posters and literature proclaimed that the Swiss were "fed up with too many false refugees, too many foreigners and too much crime." These issues were linked with "not enough housing, security or social welfare."

ARTS / LEISURE

Shaffer's 'Yonadab' Should Have Stayed a Footnote

By Sheridan Morley

International Herald Tribune
LONDON — It will not come as

news to admirers of Peter Shaffer that his plays across the past 20 years — from "Royal Hunt of the Sun" through "Equus" and

THE LONDON STAGE
the less familiar "Shrivings" to "Amadeus" and now (on the National Theatre's open Olivier stage) "Yonadab" — have principally concerned twin heroes, one of whom has God in him and cannot recognize it and the other of whom hasn't but can.

In "Yonadab" the two are half-brothers, Amnon and Absalom, though their starlorn is admittedly usurped by the title figure, a wayward gossip who has all of Samuel's obsessions with his social and artistic superiors but, alas, not any of even his talent except when it comes to chattering up the audience.

In abandoning Mozart and Sei-

eri for the Book of Samuel and a justifiably minor footnote Shaffer and his director, Peter Hall, have given up none of their love for ritual pageantry. But instead of a Viennese opera converted into a murder mystery, what we get here is little more than the nonnumerical version of "Joseph and the Amazing Technicolor Dreamcoat."

Behind a gauze curtain that is often left mercifully closed, minor biblical functionaries cavort around in vaguely choreographic fashion while in front of it Alan Bates as the all-seeing narrator of the title tries with increasing urgency to retain our interest for three hours in a story that the Book of Samuel wisely reduced to a few paragraphs. The tale of Tamar and how she was raped by her half-brother is of some interest as a prelude to the war of succession by the rival sons of David, and if (as in "Equus") Shaffer had been able to come up with some altogether unexpected and amazing explanation of an apparently familiar happening, the retelling might have been of some interest as well.

Precisely because he is so deeply uninvolved in the proceedings, like an out-of-work priest required to make sense of events he can neither halt nor control, Yonadab is totally unable to command the interest that alone could move the play along. Bates achieves a finely bitchy irritation ("Come along," he exhorts Amnon at the end of one characteristically turgid scene, "there are other people to be stoned in this city besides you") but this alone cannot stop the evening's fast becoming either a parody or a re-run of all the previous debates about God and man in all the other Shaffer plays. Wendy Morgan manages a final moment of tempestuous revenge, Leigh Lawson and Anthony Head are well-contrasted as the half-brothers, and Patrick Stewart would doubtless be a fine king if Shaffer had written the part in any coherent detail.

Two recent French films afford the chance to watch the wide range of the actor Michel Boujenah, featured in the French entry for the Best Foreign Film Oscar, "Trois Hommes et un Couffin" (Three Men and a Bassinet), and in an adaptation by the director John Berry of the novel by Dorothy Letesier, "Le Voyage à Palmar" (The Voyage to Palmar).

In the latter Boujenah is Joë, a

factory worker and militant unionist

who persuades Maryvonne

(Myriam Boyer) to marry him after

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Boyer is the more difficult role.

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determined, disappointed realist.

Joë has fantasies and disappointments of his own; he is a good man

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Boujenah's waddling run in "

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Serreau is a feminist, which may

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production of "The Cherry Orchard." As is well enough known from his work with the Shared Experience company, Alfreds sets character and text but no precise mover. Different audiences on different nights are liable to find actors in totally different areas of the stage during the same scene, and while in the past some Shared Experience players have found this a considerable challenge, the McKellen company is in such poor condition (having worked the last few months on all National stages in everything from "Duchess of Malfi" to "The Real Inspector Hound") that it has no trouble with a characteristically intelligent and brisk exploration of the text.

This "Cherry Orchard" is neither valedictory tragedy nor bleak farce: When Fin (Hugh Lloyd) is left locked up to die in the house at the end of Act 4 it is not some symbolic passing of the old guard but merely another accident in a house that has always been full of them. An immensely strong female troupe (Sheila Hancock, Eleanor Bron, Selma Cadell, Julie Legrand) does most of the night's work, though Edward Petherbridge as a wonderfully semi-detached Gayev and McKellen as the triumphant peasant purchaser of the orchard give performances that are sharp reminders of how much the National will lose if the company is allowed to disband.

ditioning; on still another it is the story of a man in midlife crisis who leaves his family and ends up in prison as a killer.

What makes Mamet — along with Sam Shepard — the most exciting writer to come out of America in the last 20 years is his ability to work on all those levels simultaneously and at the last to give a

bleak conversation piece interrupted by sudden bursts of violence the coherence and power of a classic fable for our time. I have yet to see a better play about the irrationality of the contemporary urban jungle, nor a writer with a better command of the instantly dramatic. Mamet writes his plays the way war photographers shoot battles.



Stefanos Lazaridis's setting for Lyubimov's version of "Fidelio."

Lyubimov Stages a Bitter 'Fidelio'

By Andrew Clark

STUTTGART — It is now almost two years since one of the Soviet Union's best-known theatrical figures, Yuri Lyubimov, 68, joined the list of Soviet intellectuals in exile. In the intervening period the founder of Moscow's Taganka Theater has won prizes for his drama productions in London, stirred controversy over a succession of opera stagings in Italy and had a much-publicized row with cultural officials in Bologna. His latest venture — a new production of Beethoven's "Fidelio" at the Württemberg State Theater in Stuttgart — marks the start of an extended visit by Lyubimov to the German-speaking theater world this season, and next season he is scheduled to begin a series of opera productions in southern France.

Wherever Lyubimov goes, his work provokes heated discussion. "Fidelio" is no exception. Lyubimov seizes the theme of injustice and turns it into an indictment of authoritarian regimes. At first sight his desire to arouse the audience's awareness of moral issues through the reinterpretation of a great work appears laudable, and the production conveys a sense of the unrelied drabness and oppression facing prisoners of conscience.

The threatening atmosphere of Stefanos Lazaridis's decor, with its mesh fencing and searchlights, is intensified by the appearance of Pizarro's henchmen at the side doors of the auditorium, and by the military uniforms, recalling intimidating East-bloc borderguards.

But instead of highlighting the timeless message in Beethoven's music and underlining the work's idealism, Lyubimov uses it as a peg on which to hang a personal diatribe, thrusting at the audience his bitterness and disillusionment over the state of human freedoms.

Further performances Dec. 19, 25, 28 and Jan. 10.

Andrew Clark is a journalist and music critic based in Switzerland.

Wenders's 'Tokyo Ga': A Cold Movie

By Mark Hunter

PARIS — Wim Wenders calls "Tokyo Ga" a "film journal," as if to underscore that it is not a documentary. The film recounts Wenders's research into the life and work of the late Japanese director

MOVIE MARQUEE

Yasujiro Ozu and his confrontation with a city of which, he says in the narration, "I had already in my imagination formed Ozu's film."

The score by the art-rock group Dick Tracy, which suggests a week of watching gangster and sci-fi movies on the late show, helps keep the film interesting. But for all the heat of its imagery and the warmth of Ozu's presence among those who knew him, this is a cold movie. Nowhere is it more so than when Ozu's former cameraman, weeping as he recalls his late master, begs Wenders to go — and has to ask three times.

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One awaits her next film eagerly.

DOONESBURY

WHAT DO YOU
MEAN, MIKE,
WHAT COLOR
SOCKS DID I
WEAR IN CO-
LEGEE, PARK-
ERSON?NEITHER YOU
NEVER
MORE
SOCKS.MIKE! IT IS
YOU!

I'M FRIED!

OF COURSE, IT'S ME!

I HAVE ANY IDEA

WHAT'S WITH

THE TRICK?

QUESTION?

GET IT, MIKE?

A LOT?

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OTHER MIKES
ON HOLD RIGHT
NOW!

A LOT?

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| NYSE Most Actives | | | | | | | | |
|-------------------|-------|------|------|------|-----|-------|------|------|
| Vol. | High | Low | Last | Chg. | Per | Open | High | Low |
| AT&T | 2674 | 2414 | 2404 | +16 | +6% | 2524 | 2524 | 2494 |
| General | 22442 | 2254 | 2244 | +24 | +1% | 22442 | 2254 | 2244 |
| Texaco | 2448 | 2444 | 2444 | +24 | +1% | 2448 | 2444 | 2444 |
| IBM | 1862 | 1541 | 1541 | +16 | +1% | 1862 | 1541 | 1541 |
| Philip Morris | 1454 | 1454 | 1454 | +16 | +1% | 1454 | 1454 | 1454 |
| Philip Morris | 1341 | 1241 | 1241 | +16 | +1% | 1341 | 1241 | 1241 |
| Exxon | 1257 | 1244 | 1244 | +16 | +1% | 1257 | 1244 | 1244 |
| Exxon | 1214 | 1214 | 1214 | +16 | +1% | 1214 | 1214 | 1214 |

| Dow Jones Averages | | | | | | | | |
|--------------------|----------|----------|----------|-------|-------|----------|----------|----------|
| Open | High | Low | Last | Chg. | Per | Open | High | Low |
| Index | 10554.88 | 10581.01 | 10543.25 | +26 | +0.2% | 10554.88 | 10581.01 | 10543.25 |
| U.S. Indust. | 1212.42 | 1214.42 | 1210.75 | +1.15 | +0.1% | 1212.42 | 1214.42 | 1210.75 |
| U.S. Comp. | 828.67 | 835.97 | 812.99 | +1.74 | +0.2% | 828.67 | 835.97 | 812.99 |

| NYSE Index | | | | | | | | |
|-------------|---------|---------|---------|-------|-------|---------|---------|---------|
| High | Low | Close | Chg. | Per | Open | High | Low | Close |
| Composite | 1221.00 | 1211.17 | 1211.17 | -0.03 | -0.0% | 1221.00 | 1211.17 | 1211.17 |
| Industrials | 1292.84 | 1284.75 | 1284.75 | -1.15 | -0.9% | 1292.84 | 1284.75 | 1284.75 |
| Utilities | 1151.00 | 1148.00 | 1148.00 | +0.01 | +0.0% | 1151.00 | 1148.00 | 1148.00 |
| Finance | 1223.97 | 1211.29 | 1211.29 | +0.65 | +0.5% | 1223.97 | 1211.29 | 1211.29 |
| Composite | 1224.47 | 1211.39 | 1211.39 | -0.08 | -0.7% | 1224.47 | 1211.39 | 1211.39 |

Tuesday's NYSE Closing

| Class | Prev. |
|--------------|-----------|
| Advanced | 212 |
| Declined | 216 |
| Unchanged | 220 |
| Total Issues | 232 |
| New Highs | 17 |
| New Lows | 13 |
| Volume up | 2,444,700 |
| Volume down | 6,617,700 |

| AMEX Diaries |
|--------------|
| Advanced |
| Declined |
| Unchanged |
| Total Issues |
| New Highs |
| New Lows |
| Volume up |
| Volume down |

| NASDAQ Index |
|--------------|
| Class |
| Chg. |
| Week |
| Year |
| Adv. |
| Dec. |
| Industrials |
| Utilities |
| Finance |
| Composite |

| AMEX Most Actives |
|-------------------|
| Vol. |
| High |
| Low |
| Last |
| Chg. |

| Dow Jones Bond Averages | | | | | | | | |
|-------------------------|-------|--|--|--|--|--|--|--|
| Class | Chg. | | | | | | | |
| Bonds | +0.17 | | | | | | | |
| Utilities | +0.24 | | | | | | | |
| Industrials | +0.26 | | | | | | | |
| All | +0.11 | | | | | | | |

| NYSE Diaries | | | | | | | | |
|--------------|-------|--|--|--|--|--|--|--|
| Close | Prev. | | | | | | | |
| Advanced | 1624 | | | | | | | |
| Declined | 1624 | | | | | | | |
| Unchanged | 1624 | | | | | | | |
| Total Issues | 1624 | | | | | | | |
| New Highs | 1624 | | | | | | | |
| New Lows | 1624 | | | | | | | |
| Volume up | 1624 | | | | | | | |
| Volume down | 1624 | | | | | | | |

| Odd-Lot Trading in N.Y. | | | | | | | | |
|-------------------------|---------|---------|--|--|--|--|--|--|
| Buy | Sales | Chg. | | | | | | |
| Dec. 19 | 355,461 | 719,444 | | | | | | |
| Dec. 20 | 355,461 | 719,444 | | | | | | |
| Dec. 21 | 224,945 | 713,795 | | | | | | |
| Dec. 22 | 495,276 | 4,499 | | | | | | |
| Dec. 23 | 495,276 | 4,499 | | | | | | |
| Dec. 24 | 516,635 | 4,499 | | | | | | |

| NYSE Closing | | | | | | | | |
|---|---------|-----------|--|--|--|--|--|--|
| Vol. 4 P.M. | 155,234 | Chg. +100 | | | | | | |
| Prev. 4 P.M. vol. | 155,234 | Chg. +100 | | | | | | |
| Prev. consolidated vol. | 155,234 | Chg. +100 | | | | | | |
| Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. | | | | | | | | |
| Via The Associated Press | | | | | | | | |

| Standard & Poor's Index | | | | | | | | |
|-------------------------|--------|--------|--------|-------|--|--|--|--|
| High | Low | Close | Chg. | | | | | |
| Industrials | 224,07 | 223,82 | 223,82 | -1.93 | | | | |
| Utilities | 72.39 | 71.75 | 72.27 | +0.63 | | | | |
| Finance | 212.45 | 211.58 | 211.58 | -1.87 | | | | |

| AMEX Sales | | | | | | | | |
|---|------------|-----------|--|--|--|--|--|--|
| 4 P.M. | volume | Chg. | | | | | | |
| Prev. 4 P.M. volume | 13,440,000 | Chg. +100 | | | | | | |
| Prev. cons. volume | 13,420,000 | Chg. -200 | | | | | | |
| Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. | | | | | | | | |
| Via The Associated Press | | | | | | | | |

| AMEX Stock Index |
|------------------|
|------------------|

Bringing Creative Thinkers Out of the Corporate Closet

By SHERRY BUCHANAN

International Herald Tribune

PARIS — Creativity is in. Decisive reasoning is out, according to the latest fad. To be competitive, companies need creative thinkers to come up with new product ideas or new ways to use old products. But, by definition, bureaucratic organizations tend to stomp out the creative thinkers. The corporate dilemma is how to institutionalize a higher level of creativity.

"We need to bring the creatives out of the closet," says John Katzenbach, director of McKinsey & Co., the New York-based management consulting firm.

But bringing the creatives out of the closet may often mean that management has to accept a higher degree of failure.

"One of the problems with the products of a creative thinker is that 99 out of 100 are useless," says Eelke Verstuur, a firm believer in creative thinking and a senior research engineer with Shell Laboratory in Amsterdam, an operating company of Shell Research BV and Shell's largest research laboratory. "But, if you don't allow creative thinking, you never get the 1-percent success rate."

To bring more creativity into the corporate world, companies are willing to do just about anything. Many large companies such as General Electric Co. of the United States, International Business Machines Corp., American Telephone & Telegraph Co. and Royal Dutch/Shell Group, are sending their managers to creativity consultants. Some companies just send a few already-creative types who will then join small idea teams. Others send everybody from senior-level managers to line managers and researchers.

Creativity consultants are selling corporate believers a wide variety of creativity-enhancing tools ranging from old brainstorming sessions to word association games and analogies, as well as techniques based on the consultants' own experience.

THE TECHNIQUES are supposed to help you look at an old problem from a new angle so that, if all goes well, you will come up with a creative solution. The international scientific community is still divided as to what extent creativity is a skill that can be taught.

"Creative thinking is making a connection in the mind that is not logical," says Jason Smeling, director of Synectics Ltd., the British subsidiary of Synectics Inc. "The censor inside us is always reinforced in company meetings. Most new ideas by definition appear unworkable, so people feel they can only put forward highly defensible ideas."

Synectics, in Cambridge, Massachusetts, started 25 years ago organizing brainstorming sessions for companies. It now teaches mechanisms that help people listen to new ideas without rejecting them out of hand. With two-day sessions costing \$10,000 and up, Synectics reports an annual revenue increase of 20 percent over last year.

Companies who believe in creativity training have plenty of success stories to tell. In 1982, after a Synectics-led creativity session, Ettomie Shoe Co., a subsidiary of Colgate-Palmolive Co., came up with a new tennis shoe that is as comfortable as being barefoot. During that session, an executive said he wished he could play tennis barefoot. Synectics argues that, in a regular company meeting, the barefoot idea would have been rejected immediately as being "dumb."

"As soon as you are in a creative session, you can say anything you want, even if people laugh at you," says Jacobus Stembeker, training manager at Cyanamid BV, the Dutch subsidiary of the U.S. chemical manufacturer.

After a two-day creative session last week at Cyanamid in Rotterdam, a task force of five chemists, five senior managers and five line managers came up with six new ways to develop a propylene-based product. The problem facing the task force was

(Continued on Page 14, Col. 5)

Currency Rates

| Cross Rates | | | | | | | | | |
|--------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | U.S. | D.M. | Fr. | U.K. | DM. | U.S. | Fr. | U.K. | Yen |
| Amsterdam | 1.2225 | 4.864 | 12.69 | 1.2111 | 1.0422 | 1.2225 | 5.578 | 13.642 | 14.232 |
| Brussels | 51.22 | 72.64 | 26.41 | 6.7275 | 5.9985 | 51.22 | 26.41 | 12.945 | 12.945 |
| Frankfurt | 2.312 | 3.608 | 22.65 | 1.4485 | 1.4485 | 2.312 | 7.076 | 17.94 | 12.945 |
| London (B) | 1.4723 | — | 2.058 | 1.2025 | 1.2025 | 1.4723 | 2.058 | 1.2025 | 1.2025 |
| Madrid | 2.2419 | 4.8575 | 22.89 | 1.4585 | 1.4585 | 2.2419 | 5.578 | 13.642 | 14.232 |
| New York (C) | 1.1743 | 2.9575 | 7.625 | 1.0959 | 1.0959 | 1.1743 | 2.9575 | 7.625 | 7.625 |
| Paris | 7.692 | 11.803 | 36.43 | — | 4.897 | 2.718 | 15.82 | 3.652 | 3.652 |
| Tokyo | 20.210 | 29.32 | 80.48 | 2.19 | 7.25 | 20.210 | 80.48 | 2.19 | 2.19 |
| Zurich | 2.163 | 2.8589 | 2.045 | 1.2025 | 1.2025 | 2.163 | 2.8589 | 1.2025 | 1.2025 |
| 1-SGD | 1.4025 | 2.1425 | 7.625 | 1.0959 | 1.0959 | 1.4025 | 2.1425 | 1.0959 | 1.0959 |
| 1-SDR | 1.6894 | 4.7822 | 2.7393 | N.D. | N.D. | 1.6894 | 5.5287 | 2.7393 | 2.7393 |

Closes in London and Zurich. In other European centers, New York rates for P.14-P.16.

(a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted (h) Not available (i) To buy one pound: 100.51/100.53

EC Assails The U.S. On Trade Publishes a List Of 23 'Obstacles'

The Associated Press

Shiseido: Putting on a New Face Cosmetic Firm Tries Markets Outside Japan

By Susan Chira

New York Times Service

TOKYO — Every so often, Victor Harris, the president of Max Factor's Japanese subsidiary, is pressed by his U.S. supervisors to attack the weaknesses of the Japanese cosmetics giant, Shiseido. But he says: "I've spent a career examining their weaknesses, and you're not going to find any major ones."

Mr. Harris, whose company is a leading foreign cosmetics concern in Japan, gives Shiseido top grades in marketing, production, quality and management, all of which have helped to put the company to the top here. Last year, Shiseido had sales of \$1.5 billion.

And now Shiseido, the third-largest cosmetics company in the world, after Avon and L'Oréal of France, has begun a more aggressive drive to sell its products outside Asia.

Shiseido has been selling its fine in the United States for 20 years. But in the early 1970s, when it tried to make its products in the United States using subcontractors, it was not happy with the raw materials used or the performance of employees.

In the late 1970s, it tried again unsuccessfully.

The latest effort, though, Shiseido says, is resulting in brisk sales in the United States, which it estimates at \$63 million annually.

(Continued on Page 14, Col. 5)



A saleswoman for Shiseido attends to a customer at one of the Tokyo outlets of the big cosmetics company.

In the fiscal year ended Nov. 30, 1984, Shiseido earned \$62.4 million. Its sales grew 1.7 percent from 1983, below the 3.7-percent average growth of the industry as calculated by the Shukan Shogyo trade magazine, which polls 400 companies selling cosmetics in Japan, but higher than the 1.4-percent worldwide rate.

Shiseido has not maintained that lead for about 30 years, however, by remaining complacent. The company spends about 6 percent of its sales on advertising — a figure considered low for

(Continued on Page 14, Col. 5)

BA Posts 6.3% Rise in Pretax Profit

By Bob Hagerty

International Herald Tribune

LONDON — British Airways PLC said Tuesday that pretax profit rose 6.3 percent in the six months ended Sept. 30, largely reflecting lower interest costs.

BA's results are being closely watched as the government prepares to sell the airline to private investors. The sale, long delayed by the need to settle litigation, is tentatively scheduled for next summer and is expected to value the airline at around \$1 billion (\$1.44 billion).

BA said its pretax profit increased to \$201 million from \$189 million a year earlier. Net profit rose 7 percent to \$200 million from \$187 million; the airline pays little tax because it is still claiming tax relief from huge losses recorded several years ago.

Lord King of Wartnaby, chairman, said the results represented "good progress" after the "exceptionally good" performance in the year ended last March 31.

But profit before interest and taxation, or operating profit, fell 15 percent to \$222 million in the latest six months from \$261 million a year earlier, even though revenue grew 11 percent to £1.74 billion from £1.57 billion.

The cabin crew abolished a 1970 "aviation constitution" that regulated a strict division of markets among Japan's three major airlines. It was designed to promote the growth and development of the nation's aviation industry.

Under that law, the 34.5-percent government-owned JAL was assigned international routes and domestic flights connecting large cities, while Toa Domestic Airways and All Nippon Airways were allowed to provide other domestic services.

The new routes "are performing well and prospects are encouraging," BA said.

Parliamentary Panel Asserts Sale Of British Telecom Was Under-Priced

Reuters

LONDON — A parliamentary committee asserted Tuesday that the British government under-priced the shares of the national telecommunications company when it was sold into private hands.

The Committee of Public Accounts, which monitors public spending, said the sale of British Telecommunications PLC in November 1984 could have raised more money for the taxpayers.

The sale of the government's 50.2-percent stake in British Telecom raised \$3.9 billion, or \$4.6 billion at the exchange rate then in force.

But the committee said: "It can be argued with hindsight that the price was over-cautious and that a modest increase of four or five percent in the offer price of £1.30 would have brought in a higher return."

It said the Treasury and the Department of Trade and Industry should review the sale in light of the plans by Prime Minister Margaret Thatcher's Conservative government to transfer other government holdings to the private sector. These include British Airways PLC and British Gas Corp.

As soon as trading began in British Telecommunications shares in December 1984, their price soared, and a spokesman for the opposition Labor Party, Alan Williams, accused the government of "criminal incompetence" in pricing the issue.

"The government has today presided over the biggest giveaway in British commercial history," the Labor spokesman said at the time.

ing, but they have yet to contribute profitably.

BA said it was confident that they have yet to contribute profitably.

The drop in operating profit also reflected currency-translation losses and higher fuel costs. For the year ending March 31, fuel costs will show an increase of 10 percent, according to the estimate of Colin Marshall, chief executive.

BA complained that regulatory agencies had delayed or rejected some of its applications to increase fares.

BA also cited the loss of profitable routes to Jeddah and Dhahran in Saudi Arabia. Those routes were transferred to British Caledonian Airways as part of a government restructuring of the British airline business last year. In return, BA won new routes to South America.

The new routes "are performing well and prospects are encouraging," BA said.

BA's net worth stood at \$499 million, up from £297 million a year before.

BA also said it was confident that it could settle by next spring a class-action lawsuit arising from the 1982 collapse of Laker Airways Ltd. The suit, filed in a U.S. district court, alleged that BA and others conspired to fix prices for certain categories of air travel between Britain and the United States.

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The new routes "are performing well and prospects are encouraging," BA said.

Analysts have been puzzled by the weakness in housing activity, given the fact that mortgage rates have now fallen to their lowest levels in six years.

■ Housing Starts Tumble

The Commerce Department also reported Tuesday that housing construction plummeted 12.2 percent in November, the steepest decline in six months, The Associated Press reported from Washington.

The department said that the decline left construction at an annual rate of 1.55 million units in November, the lowest since April 1983. The month-to-month decline was the sharpest since a 13-percent drop in March. Housing starts had risen 9 percent in October following a 7.1-percent September decline.

U.S. Current Account Deficit Widened in Quarter

By Stuart Auerbach

Washington Post Service

WASHINGTON — The United States slipped deeper into debt to foreign creditors as the current account deficit — the broadest measure of the nation's trade and financial transactions with the rest of the world — grew to \$30.5 billion in the third quarter, the Commerce Department reported Tuesday.

This was the second-largest quarterly deficit, just \$1.3 billion behind the record set during the fourth quarter of last year, and an increase of \$2.8 billion from the second-quarter mark.

On the basis of new information, the government said that the trade picture was slightly better in the second quarter than it appeared when the trade figures were released in September. The second-quarter deficit was revised down from \$31.8 billion to \$27.7 billion.

The third-quarter current account figures — which measures merchandise trade, sales of services and overseas investment — maintained the United States as a debtor nation for the first time since World War I. The slide to debtor status was forecast after the first quarter, but received confirmation in September when the third-quarter figures were released.

Commerce Secretary Malcolm Baldrige blamed the increased deficit increase on "the widening merchandise trade deficit," which rose \$4.6 billion, to a record \$33.1 billion. This swamped improvements

Deutsche Bank To Sell 10% of Daimler's Stock

By Warren Geltler

International Herald Tribune

FRANKFURT — Deutsche Bank AG, in an earlier-than-expected move that will raise \$3.8 billion Deutsche marks (\$1.5 billion), said Tuesday it would offer 3.4 million shares in Daimler-Benz AG through an international bank consortium.

The shares, which amount to 10 percent of the West German automaker's equity and are to be acquired through Deutsche Bank's recent agreement to buy the Flick group, will be offered at 1,120 DM each, or a 10.5-DM discount from Tuesday's closing price of Daimler-Benz AG on the Frankfurt Stock Exchange, down from 1,220 DM.

Deutsche Bank declined to say which banks had been invited to act as co-managers of the offer, but industry sources said the consortium partners will be primarily West German and Swiss banks: Dresdner Bank AG and Commerzbank AG, West Germany's second and third largest commercial banks after Deutsche, and Westdeutsche Landesbank Girozentrale, the largest state-owned bank, will be senior co-managers, sources said at the banks.

Deutsche Bank's announcement took the market by surprise

U.K. Announces Plans to Tighten Bank Controls

By Larry Thorson
The Associated Press

LONDON — The British government announced plans Tuesday for tighter control of banks in response to the collapse last year of Johnson Matthey Bankers Ltd.

The proposed new legislation would strengthen the Bank of England's supervisory powers over larger banks like JMB, which have been operating largely on trust under the assumption that they were acting honestly and competently.

A white paper published by the chancellor of the Exchequer, Nigel Lawson, said that the JMB collapse revealed "serious weaknesses" in banking supervision. JMB was taken over by the Bank of England last

year after it collapsed under £248 million (\$354 million) in bad debts.

New legislation will be introduced "at the earliest possible opportunity," it said.

"London's pre-eminence as a world banking center is based on freedom and probity. We are determined to preserve both," Mr. Lawson said in the publication, which outlined the government's plans with the aim of provoking discussion while legislation is being written.

Brian Sedgemore, an opposition Labor Party legislator, clashed bitterly with Mr. Lawson in the House of Commons over the issue. And the Labor Party's chief economics spokesman, Roy Hattersley, said

that the proposals were "grossly inadequate" because they did not call for an independent supervisory body.

In response to demand both from the public and from concerned market insiders, Prime Minister Margaret Thatcher's government has had to promise greater support to fraud-investigative agencies as well as new legislation to help control the City, London's largely self-regulated financial district.

Mrs. Thatcher was asked Tuesday in the House of Commons to outline her plans to "clean up the City."

"No one is more anxious for those who are guilty of fraud to be brought to justice than this government," the white paper said.

U.S. Agency Is Battling Precious-Metal Frauds

By Nathaniel C. Nash
New York Times Service

WASHINGTON — The phone rings. The smooth voice on the other end addresses you by your first name and asks, "Are you interested in the best investment in the world?" The sales pitch has begun.

The caller is touting silver or another precious metal that he or she predicts will soon rise in price, producing a killing for those lucky investors who can establish big positions with a small downpayment. The trouble is, however, that they rarely do make a killing — even hold onto their initial stake.

The scene described by Dennis M. O'Keefe, an enforcement official at the Commodity Futures Trading Commission, is part of what federal courts have established as a growing fraud on the American public.

"There is so little expertise around to prosecute this kind of fraud that it's become a license to print money," Mr. O'Keefe said. "Investors continue to love precious metals and continue to fall for these scams."

Over the last 18 months, since the commission began to crack down, federal and state judges have granted orders closing more than 20 precious-metal dealers. Almost all of these dealers were illegally offering the equivalent of a silver-futures contract that guaranteed investors that they could buy at a certain price over a specific period of time.

And the CFTC, Mr. O'Keefe said, suspects similar practices by 200 other dealers who have hundreds of offices throughout the country and attract about \$300 million in investor funds each year.

What has been judged illegal by the courts is that these investment products are unregistered futures contracts and that the firms selling

them are engaging in fraudulent sales practices.

For their part, the dealers that were shut down have maintained that their investment products are not futures but cash contracts and that, therefore, they are not subject to regulation by the CFTC, which is the federal regulatory agency for the commodities and futures industries.

While the illegal sale of so-called off-exchange futures has the CFTC concerned, Mr. O'Keefe and state enforcers say they use these violations to get at an even more troublesome practice — fraudulent sales tactics of these companies.

On the phone according to Mr. O'Keefe, salesmen promise that investors' funds are protected because the companies hedge their positions in the silver-futures market, that they segregate customers' funds and that they have large quantities of silver bullion stored in vaults in order to meet delivery demands. But little or none of what the salesmen say is true, Mr. O'Keefe said.

That even extends to their names, it is said. "What they don't tell you," said Lawrence H. Fuchs, financial investigations director of the state comptroller's office in Florida, "is that they are using false names, or that the principals of the company have criminal records and have been the subject of previous regulatory actions."

Similar operations have been around for many years. Typically, however, their fraudulent practices are not discovered until metal prices have risen sharply and investors find that they cannot collect their profits. By using the ban on off-exchange futures to shut down metals dealers, the regulators say they are able to stop the fraud much earlier, before the dealers can skip town.

Unregistered commodity firms that have been the subject of recent court actions by the Commodity Futures Trading Commission.

| Firm | Date of Action | Offices |
|--|----------------|---------|
| First American Currency, Laguna Hills, Calif. | Dec. 5 | 1 |
| Trinity Metals Exchange, Kansas City, Mo. | Nov. 27 | 6 |
| Wellington Precious Metals, Fort Lauderdale, Fla. | Nov. 25 | 19 |
| Precious Metals International, Fort Lauderdale, Fla. | Nov. 12 | 4 |
| First International Metals, Boca Raton, Fla. | Nov. 12 | 1 |
| Westbrook Funding Ltd., North Miami Beach | Sept. 25 | 1 |

Source: Commodity Futures Trading Commission

The last few years of falling or flat prices of precious metals have been ideal for these operations, said Jeffrey Rosen, a partner with the Washington law firm of Stopelman, Rosen, Eaton & De Martino. "Investors haven't made any money," he said. "So these shops don't have to shut down."

Since its inception in July 1984, the CFTC enforcement division's federal-state liaison office, which works with state agencies to shut down fraudulent dealers, has focused on Florida. But the 38-year-old Mr. O'Keefe, who heads the office, says most of the action is now centered in Southern California, where as many as 150 companies are operating.

Dennis Klejna, the head of enforcement at the commission and Mr. O'Keefe's superior, said, "Of the 18 federal court actions we filed in fiscal year 1985, 11 involved allegations of off-exchange activity."

In the last month, the CFTC has taken action against four firms, and four more actions are planned before the end of the year.

As Mr. O'Keefe tells it, such companies operate in a world of high-pressure telephone sales by "phone pros," or "yaks," using relatively inexpensive wide-area telephone service, or WATS, lines to solicit business across the country.

Names are taken from lists of would-be investors who answer solicitations for investment advice and information. The small companies are often called "boiler rooms" or "bucket shops," and customers are dubbed "mooches."

The customers are offered silver investments that permit them to lock in a current price and close out their accounts after 90 or 120 days. If customers do not have a profit after the 120 days, they can roll over the contract for two years or longer. What the customers are often not told initially, however, is that rollover fees are exceptionally high — up to 10 percent a year of the total value of the contract. When investors do have a profit and want to cash in, Mr. O'Keefe said, they find it almost impossible to persuade the companies to close out their accounts.

Enforcement officials say lucrative profits come from especially high commissions and the management fees that are often hidden from investors before they send their money in.

Unlike L'Oréal of France, Shiseido's sales are almost entirely domestic. Overseas sales accounted for 9 percent of total revenues last year. But Yoshi Ohno, Shiseido's president, is trying to increase that with the focus on the United States.

Shiseido products, under the brand names Moisture Mist and Shiseido Facial, are now shipped from Japan and distributed through 1,000 stores in the United States. But the company is hardly a household word in the United States. It declines to give exact figures, but says its U.S. advertising budget is limited because it sells only through the 1,000 stores, and moving aggressively abroad.

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JOHN IN LIDS

BUSINESS ROUNDUP

Texas Air Corp. Restates Interest in Buying TWA

Compiled by Our Staff From Dispatches
NEW YORK — Texas Air Corp. as indicated that it is still interested in acquiring Trans World Airlines for \$24 a share in cash if TWA's merger agreement with Carl C. Icahn, a New York financier, were terminated without liability to the airline.

TWA disclosed Tuesday that it had received the offer in a letter from Texas Air's chairman, Frank Lorenzo. It added that it will be meeting with Mr. Icahn to discuss the status of their existing merger agreement and the Texas Air offer.

TWA and TWA had earlier reached a tentative agreement to merge, but the accord foundered on opposition from TWA's unions. TWA subsequently accepted a higher offer from Mr. Icahn after it had won effective control of the airline through open-market purchases of its stock.

The renewed overture comes amid persistent reports that Mr. Icahn is having trouble financing his takeover of TWA for \$24 a share. He also indicated a willingness to negotiate with TWA's unions in an effort to win cost savings comparable to those sought by Mr. Icahn.

TWA's three principal unions vigorously opposed Mr. Lorenzo's earlier bid for the airline because of what they called his anti-union activities at Continental Airlines.

After regaining control of Continental, Mr. Lorenzo took the carrier into Chapter 11 bankruptcy protection and abrogated its labor agreements.

(UPI, Reuters)

Toshiba, LSI Sign Accord
Agence France-Presse

TOKYO — Toshiba Corp. of Japan announced Tuesday that it had signed an agreement with LSI Logic Corp. of the United States to cooperate in marketing semiconductor devices in Japan.

(UPI, Reuters)

Nakasone Says No Decision Taken to End Car Quotas

Reuters

TOKYO — Japan has made no decision yet on whether to continue voluntary restrictions on car exports to the United States, Prime Minister Yasuhiro Nakasone has said, according to government sources.

They said Tuesday that Mr. Nakasone told Howard H. Baker Jr., a former majority leader of the Senate who was visiting Japan, that U.S. newspaper reports are wrong in suggesting that Japan would end the four-year-old restraints in March.

However, Shoichiro Toyoda, president of Toyota Motor Corp., told journalists Tuesday that he would argue against any extension

when the restrictions run out in March.

Reports that the restraints would be ended arose from comments by Eiji Toyoda, chairman of Toyota, last week in Lexington, Kentucky. He was there to announce the construction of an \$800-million Toyota assembly plant.

The current ceiling on Japanese shipments to the United States is 2.3 million cars a year. The restrictions began in 1981 after U.S. automakers said Japanese imports had priced them out of their home market.

Since then, several Japanese companies have announced plans to build assembly plants in the United States.

Massey Nears Pact On Unit Spin-Off

The Associated Press

TORONTO — Massey-Ferguson Ltd. says it has almost completed an agreement with lenders to spin off 60 percent of its combine manufacturing and foundries division.

Most of Massey's major lenders have agreed in principle either to extend the deadlines for repayment of Massey's \$600 million in long-term debt or to convert some of the money they are owed into equity in the company, a company spokesman, Jack Nowling, said Monday.

In addition, the company intends to consolidate all aspects of its combine operation at its Brantford, Ontario, plant.

AT&T said it will start a digital data-transmission service between the United States and Japan, Canada, Britain, France and Italy on Jan. 27.

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Keppel Shipyard, Singapore's government-owned ship-repair facility, said it will reduce its service capacity from 450 ships a year currently to 210 by the end of 1986.

Standard Chartered Bank PLC

said it will move into a new 40-story headquarters building in Hong Kong in 1989.

Hongkong Land Co. said it has canceled a 2.5-billion-Hong-Kong-

Petrofina Launches a Bid For Charterhouse Petroleum

Compiled by Our Staff From Dispatches

LONDON — Petrofina SA of Belgium, one of the world's largest oil companies, launched a £145-million (\$208-million) takeover bid on Tuesday for Charterhouse Petroleum PLC, a London-based oil-investment firm.

Charterhouse management has recommended to its shareholders that the offer be accepted. The British firm has interests in several North Sea oil fields.

Petrofina has been working in Britain for nearly 60 years. Its Petrofina (UK) Ltd. has a refinery, a chain of service stations and shares in various North Sea oil concessions.

The merger of Petrofina's British exploration and production interests with Charterhouse will be on the basis of three new shares of no par value and £59 in cash for every 295 Charterhouse ordinary shares.

Petrofina already owns 1.7 million ordinary Charterhouse shares, or 1.25 percent of the total. Full acceptance would involve the issue of as many as 1.36 million new Petrofina shares, or 7.3 percent of the enlarged share capital.

This does not take into account any further Charterhouse shares issued on the exercise of outstanding options.

Separate proposals would be made to option holders to subscribe for ordinary Charterhouse shares on terms that reflected the terms of the offer.

(Reuters, AFP)

COMPANY NOTES

Aerospatiale, the French government-owned aerospace company, said Finnair had signed a contract to buy five ATR-72 commuter aircraft and had taken an option on three more. Value of the order was not disclosed.

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dollar (\$330.5-million) standby credit facility and freed its major asset, Exchange Square in central Hong Kong, from mortgage. The firm arranged for the facility in January 1984 in anticipation of its debt rising to about 16 billion dollars between 1985 and 1987.

Jardine Matheson Holdings Ltd.

said it had sold a 62-unit luxury residential development in Hong Kong to Broad Yield Co. for 254.5 million Hong Kong dollars (\$32.6 million). Jardine said it also sold 96 homes in Hawaii for 34.5 million dollars.

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BUSINESS PEOPLE

TT Forms Telecommunications-Marketing Unit

By Brenda Erdmann

International Herald Tribune
LONDON — ITT Corp. has

met a worldwide marketing organization for its telecommunications products.

The new unit, to be called ITT

International Marketing Group,

will be based in Brussels and will

integrate the current activities of

ITT Asia/Pacific/Latin America

group, ITT Africa and the Mid-

East and ITT Eastern Time

Operations. The group will report

to Daniel P. Weadock, ITT exec-

utive vice president and president of

assets-based ITT Europe Inc.

Bernard J. McFadden is responsi-

ble for the management of the

group. He is an ITT vice presi-

dent and group executive, interna-

tional marketing. Mr. McFadden

will continue to report to Mr. Wea-

dock.

At the same time, responsibility

for two ITT telecommunications

manufacturing operations is also

being reassigned, with ITT South

Asia, based in Sydney, and ITT's

rest in Industria de Telecomuni-

cación SA in Mexico City,

being monitored directly by

Weadock.

Mr. Weadock said the formation

of the group was a "logical progress-

for ITT's worldwide market-

strategy. He said 80 percent of

telecommunications and elec-

tronics products sold by ITT in the

a-Pacific and Latin America re-

gions come from its European

manufacturing units, with many of

these companies involved in tech-

nology transfer to the Third World.

"We are now bringing ITT closer to

its customers," he said.

Nationale-Nederlanden NV, the

Dutch insurance group, said that

effective June 1, its supervisory

board has appointed J.J. van Rijn,

a director of the ENI group, before moving to

chairman.

Snamprogetti Ltd. has named

Ennio Carbone managing director,

successor to Vittorio Giacomin,

who has returned to group head-

quarters in Milan. Mr. Carbone

was director of projects for Snam-

progetti SpA, which is a member of

the ENI group, before moving to

chairman.

McCune of Polaroid

Is Resigning as Chief

The Associated Press

CAMBRIDGE, Massachusetts

— William J. McCune Jr., chair-

man of Polaroid Corp., said Tues-

day that he would retire as chief

executive Jan. 1.

Mr. McCune said the company's

board has elected I.M. Booth, 54,

as Polaroid's chief executive. Mr.

Booth, 70, has been chief execu-

tive since 1980 and will continue as

chairman.

Mr. Anderson

Resigning Arco

Chairmanship

Los Angeles Times Service

LOS ANGELES — Robert

O. Anderson, who parlayed a

small New Mexican oil refinery

into the oil-industry giant At-

lantic Richfield Co., will retire

as Arco's chairman Jan. 1.

Lodwick M. Cook, 57, who

became president and chief ex-

ecutive last June, will succeed the

68-year-old Mr. Anderson as chair-

man, the company said on Mon-

day. Robert E. Wycoff,

54, an Arco vice chairman, will

take the president's title from

Mr. Cook at the oil company.

Mr. Anderson, who has a car-

ranch in New Mexico, has

not been active in the day-to-

day affairs of Arco for some

time. He continued to play an

important role in major corpo-

rate decisions, however, includ-

ing the recent reshaping of Ar-

co's key businesses.

Mr. Anderson became Arco's

first chairman in 1966, follow-

ing the merger of Atlantic Refi-

ning Co. of Philadelphia with

Richfield Oil of Los Angeles,

and he is widely regarded as its

founder. Under his leadership,

the company's size expanded

dramatically, especially after

Mr. Cook, a petroleum engi-

neer by training, started his ca-

reer by laying oil pipeline. He is

well known within the industry

for supervising the construction of

the Trans-Alaska pipeline.

The 1970 discovery of the largest

oil field in North America at

Prudhoe Bay on Alaska's North

Slope.

Mr. Anderson said Monday

that he was retiring to "devote

more time to my various per-

sonal and business interests."

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The British pound, meanwhile,

slipped against the dollar and con-

tinental currencies as North Sea oil

for January delivery fell about \$1 a

barrel from Monday's levels.

The pound, which has been

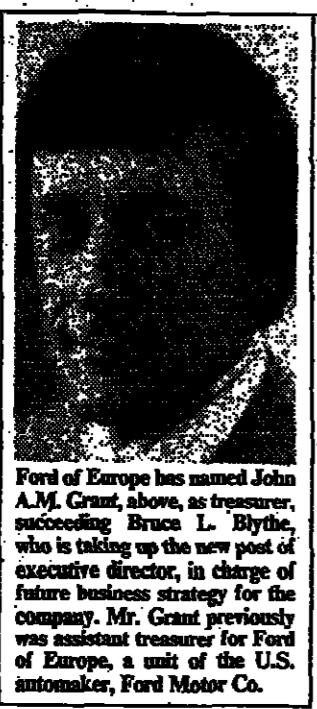
buoyed by North Sea oil revenues,

fell in New York to \$1.435 from

\$1.430 on Monday. In London, it

eased to \$1.4373 from \$1.4380 at

Tuesday's close.

Reuters, UPI, IHTRobert Anderson
Resigning Arco
Chairmanship*Los Angeles Times Service*

Robert O. Anderson

CURRENCY MARKETS

Rate Prospects Depress
Dollar, Oil Cuts Hurt Pound

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed mixed in light of oil price

Tuesday after falling earlier in Europe on prospects for lower U.S. interest rates. The British pound came under pressure because of a drop in oil prices.

There remains a feeling that the

Federal Reserve Board will cut the discount rate by the end of the year, which keeps a cap on the upside potential for the dollar," said Daniel Holland, vice president of Discount Corp. of New York.

The discount rate, the Fed's charge on loans to member banks, is the rate from which all other U.S. interest rates are scaled upward.

In New York, the dollar slipped to 2.5075 Deutsche marks from 2.5100 at Monday's close; to 201.85 Japanese yen from 202.65, and to 7.6725 French francs from 7.6765. But it rose to 2.1065 Swiss francs

from 2.1000.

The British pound, meanwhile, slipped against the dollar and continental currencies as North Sea oil

for January delivery fell about \$1 a

barrel from Monday's levels.

The pound, which has been

buoyed by North Sea oil revenues,

fell in New York to \$1.435 from

\$1.430 on Monday. In London, it

eased to \$1.4373 from \$1.4380 at

Tuesday's close.

In other European markets

Tuesday, the dollar was fixed at

midafternoon in Frankfurt at

2.5120 DM, down from 2.5224 at

the Monday fixing; at 7.6920

French francs in Paris, down from

7.7115, and at 1.714.30 lire in Mil-

an, down from 1.720.25. In Zurich, the dollar closed at 2.1030 Swiss francs, down from 2.1168.

Reuters, UPI, IHT

| 12 Month High Low Stock | Div. Yld. | PE | Sales In M\$ | High | Low | Close | Out. Chg. |
|----------------------------|-----------|-------|-----------------|------|-----|-------|-----------|
| 11 ADC TI | 32 | 20 | 224 | 216 | 208 | 210 | -1 |
| 12 AEL | 22 | 12 | 224 | 216 | 208 | 210 | -1 |
| 13 ASK | 22 | 12 | 224 | 216 | 208 | 210 | -1 |
| 14 Aetna | 85.21 | 51.52 | 124 | 112 | 104 | 110 | +5 |
| 15 Aetna | 24 | 12 | 124 | 112 | 104 | 110 | +6 |
| 16 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 17 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 18 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 19 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 20 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 21 AetCo | 22 | 12 | 124 | 112 | 104 | 110 | +6 |
| 22 AetCo | 22</td | | | | | | |

SPORTS

Riggins' Glorious, and Outrageous, Career With Redskins Appears OverBy Ira Rosenfeld
The Associated Press

WASHINGTON — After bulldozing past National Football League tacklers for 14 years, it is likely that John Riggins has played his last game for the Washington Redskins.

Riggins did not play in the 17-12 victory over Philadelphia on Dec. 3 or in the 27-24 defeat of Cincinnati last Sunday. The game against the Eagles was the first in four years in which a healthy Riggins had not played. Afterward, he told the running backs' coach, Don Breaux, "I think I have just spent the first day of the rest of my life."

Last Sunday in RFK Stadium he made a ceremonial entrance, with the starting team, was cheered by fans and teammates, then ran back to the bench so George Rogers could start the game.

Rogers, the former star of the New Orleans Saints who was acquired between seasons, rushed for 150 yards and scored a touchdown against the Eagles. Against the Bengals, he scored the winning

touchdown on a long run in the closing minutes of the game, keeping the Redskins in the running for a spot in the playoffs.

The coach, Joe Gibbs, had offered to start Riggins in the team's final home game, as a gesture to the man who helped the Redskins win three straight NFC East Division titles, two conference titles and a Super Bowl championship. Riggins refused Gibbs' offer and, after a season of being alternated as the lone running back with Rogers, appears to have been passed aside. He is not expected to return to the Redskins next season.

"It would take a miracle for John to come back," said one team official, who asked not to be identified.

At 36, Riggins is the oldest running back in the league and the highest paid, earning more than \$125,000. He will become a free agent after the season and Redskins officials have said privately there are no plans to offer him a new contract.

"To bring him back would just hurt the team

and continue to impede the progress of George," said another high-ranking team official who asked not to be identified.

"The truth is no matter what John has done in the past, this is a young man's game."

Riggins retorted last Thursday that "I ain't hanging nothing up." Then he added, with a laugh, "Of course, I might be wearing a different colored uniform" next season.

Whether or not he tries to play another season, he already has shattered the myth that a running back's best years are before age 30.

Since his 30th birthday in 1980, Riggins has run for more than 100 yards in a game 22 times, with an NFL record six in a row during the playoffs. He scored 71 touchdowns and rushed for more than 1,000 yards three times.

"Don't tell me John is too old for this game," said the Redskins' center Jeff Bostic. "It would not surprise me if he decided to play another year, another five years, whatever he wants."

Only the second player in NFL history to score

100 touchdowns rushing, Riggins has eight this year and is 10 shy of Jim Brown's record of 106. With 67 yards rushing this season, he moved past O.J. Simpson into fourth place on the league's all-time rushing list at 11,352.

"What separates John from the rest is his tremendous consistency," said the Redskins' veteran tight end, Rick Walker. "You can give John the ball and he would eat the clock, picking up 2, 3 or 4 yards. Then when you got inside the 10-yard line, you knew it was Rigo's time. Inside the 10 John was as good as gold."

"Not just to the fans but to the players, John is a legend," said the linebacker Neal Orlowski.

An all-American at the University of Kansas, Riggins was the No. 1 draft choice of the New York Jets in 1971 and led them in receiving and rushing as a rookie. Before playing out his option with them, in 1975, he would run for more than 3,800 yards and 31 touchdowns.

He also led the Jets and Redskins in outrageous

acts, showing up one year with a Mohawk haircut, another with his toenails painted purple, and always on a motorcycle.

His nine-year career in Washington was interrupted for one season, 1980, which he sat out in a contract dispute. When the team faltered without him, the coach, Jack Pardee, was fired and Riggins returned in triumph.

Although he was arrested for public drunkenness and was criticized for what some considered an insulting remark to Supreme Court Justice Sandra Day O'Connor — he apologized for both incidents — Riggins still can do no wrong in the eyes of his fans and teammates.

"He keeps the game in perspective. If you watched John play and knew what he was like during the week you knew you didn't have to be a drill sergeant to play this game," Walker said.

"If you are lucky, you meet a character like John once in a lifetime," Bostic said. "When you do, you never forget him, never want to say goodbye."



John Riggins

teamy Summer Awaits World Cup Teams

ONDON — So, putting that quake behind it, the family of or has held its draw, mixed its and is making full steam and is a World Cup in Mexico June.

ites! Lady Luck has shaken a tail remarkably similar to a piece of politics and favor might have been arranged by using International Federation football Associations (Fifa), at we saw, did we not, fate at? We saw the customary in-hand on the draw, saw the mate separation of hostile nes and cosy neighbours. Well, jiggled all that. We fleetingly.

ROB HUGHES

ched 5-year-old Luis Javier Caso Canedo — whose grandfathers the organizing committee — pluck the teams' names out of goldfish bowls containing elected contestants.

ur view was limited by the re-1 of television companies to be ped off." They were asked to \$2,400 for each spot of coverage — a piddling sum for the 5,600 each of the 52 games next summer — and they chose to rebut such a situation, which was in addition to negotiated television picture is.

an earthquake is going to be the se for everything come sum- And television will be about as as the projected audience of million will get. Indeed, TV dy is the cup's spiritual home of years ago, when the "live" had to be stopped and ram use the pre-planning went you would not imagine that

vast numbers of people would tune to the drawing of lots would you?

Wrong. Fifa budgeted for 1,000 VIPs at the scene, and 100 million viewed from home.

The auditorium of Mexico City's central hospital, a medical show-piece, was to have been the venue for the draw, but it fell with the names of some 40,000 citizens last September.

So the VIPs and the remaining commentators, whose stations had paid the price were squeezed into a television studio.

It was only natural that Televi-sia, the Mexican TV company, control the shots. Televi-sia has business relationships with the Fifa hierarchy — grandfather Guillermo Caso is a partner of Emilio Asturias, Televi-sia's chief shareholder — it has a major stake in Aztec Stadium, it pays the World Cup organizing committee's bills and it was because of Televi-sia's connection that this World Cup was switched, out of turn, to Mexico once Colombia abandoned responsibility for staging it.

Soon, because of Televi-sia, and the demands of Europe for "live" World Cup thrills, many potential fine matches will be grilling under a midday sun.

The opening match, Italy versus Bulgaria, kicks off at noon and promises to be a stifling humdinger of a stalemate between two nations more given to caution than flamboyance, but who will have to try to find their way through high altitude and low stamina.

The draw was completed Hungary met Mexico in a friendly match. Hungary, one of Europe's more confident contenders, was

beaten, 2-0, and the winger Gyorgy Bogner, after being substituted for, said: "Never in my life have I felt so bad. I feel as if I had 1,000 needles in my lungs."

Come summer, he will be expected to step up the pace and learn to live with needles. Hungary does not have the words of draw — a non-South American group, with France, the Soviet Union and Canada based in Leon and Iquitos. It does, however, have to kick off at noon against France on June 9.

"It will be tough, very tough. We need a lot of luck to survive this group," Beckenbauer said.

Survival of another sort, that of a quirky climate, faces Poland, England, Portugal and Morocco. They compete in the north in Monterrey, and Poland's captain, Zbigniew Boniek, observed: "For us the venue will be a bigger problem than the teams against us."

The English will be relieved he said that. Somehow the suspicion lurks that England's manager, Bob Robson, knew Monterrey would be his fate. The animosity has built since a year ago when he chose to say that "Monterrey will be the short straw of the draw." He means the low altitude and intense heat of the industrial city.

Unforgivably, the Mexicans have thrown in Monterrey with its altitude of 538 meters (1,764 feet) a mere quarter of that of the 11 other stadiums. The problems include whether to go ahead with high altitude training or to instead get to Monterrey and try to adjust to the extreme heat.

The English had booked a stay in Colorado, but now may camp in the mountains outside Monterrey, living at 1,500 meters and coming down to train. But should England or Poland win the group, in the second round they will have to move up quickly to 2,500 meters or more. Should they come in second, the next round and possibly the quarterfinal would be in Monterrey, giving them an advantage — until the semifinals, which definitely will be played in thinner air.

The two groups everyone wanted to avoid were last out of the bowls. Franz Beckenbauer, whose style is to sound positive even when he is not, shuddered at facing Denmark (the dark horse of the tournament);

the English had booked a stay in Colorado, but now may camp in the mountains outside Monterrey, living at 1,500 meters and coming down to train. But should England or Poland win the group, in the second round they will have to move up quickly to 2,500 meters or more. Should they come in second, the next round and possibly the quarterfinal would be in Monterrey, giving them an advantage — until the semifinals, which definitely will be played in thinner air.



Garin Veris (60), the Patriots' defensive end, knocked the ball away from the Dolphins' Tony Nathan and recovered it during the second quarter of a rainy game in Miami. The Dolphins won, 30-27, on a field goal late in the contest.

Dolphins Kick Pats Out of AFC East LeadBy Bob Oates
Los Angeles Times Service

MIAMI — The Miami Dolphins slipped past the New England Patriots, 30-27, on Monday night and now only the lowly Buffalo Bills are still in their way of winning the championship of the AFC East.

A fumble late in the rainy game made it close, but Dan Marino quarterbacked the Dolphins to a winning field goal in the last four minutes and the Patriots had lost an 18th straight at the Orange Bowl.

"I still think we've got a great defense," said the New England coach, Raymond Berry. "The 30 points? That quarterback — what's his name? — had something to do with it."

Although the Dolphins missed a couple of chances to put their division rivals away earlier, they led by 27-13 in the fourth quarter, when the Patriots scored twice in six seconds to tie.

Quarterback Tony Eason got the Patriots close with a touchdown march. Then, on the kickoff, Rod McSwain knocked the ball away from Miami's Joe Carter, a normally reliable running back, and Cedric Jones carried it into the end zone.

"We sure find ways to make it interesting," said Miami's coach, Don Shula.

But Marino kept his cool in the rain. With passes to the wide receivers Mark Duper and Mark Clayton and to the tight end Bruce Hardy, he put the ball in position for Flandre Revez to kick his third field goal, from 47 yards.

"Against the Patriot defense, you have to bite, scratch and claw for everything you get," said Shula.

After the field goal the drama continued when Eason brought the Patriots down the field again, but safety Glenn Blackwood ended their hopes with an interception.

"Just in time," said Marino. "I knew the game wasn't over when we had that 27-13 lead. They can really come up with the big plays. New England has a physical, aggressive defense."

It did not always look that way. The Patriots chose to cover Marino's receivers more often than they put a big rush on the quarterback. But Marino felt bothered even so.

His problem was the New England linebackers, particularly Andre Tippett. When the Dolphins were bounding toward what appeared to be a halftime lead of 24-7, or at least 20-7, Tippett sacked Marino for a second time and forced the fumble that cost a scoring chance at the New England 25.

Eason's problem was his coaches, who turned conservative at some strange times. When the Dolphins lost the ball to the Patriots on a fumble at the Miami 21 in the third quarter, they ran on seven consecutive plays before settling for a field goal.

Afterward, Eason was still worried about his last pass, intercepted by Blackwood.

"I overthrew" the receiver Derrick Ramsey, he said. "He was behind my man where he was supposed to be. I saw Blackwood. The rain was not a factor."

Shula loved the rain, too.

COREBOARD

Basketball

National Basketball Association Leaders

| TEAM OFFENSE | | G | Pt. | Avg. |
|--------------|----|-------|-------|------|
| 11 | 24 | 22 | 124.1 | 10.3 |
| 12 | 25 | 290 | 119.6 | 10.3 |
| 13 | 26 | 171.7 | 109.8 | 10.3 |
| 14 | 27 | 251.3 | 117.1 | 10.3 |
| 15 | 27 | 303 | 121.2 | 10.3 |
| 16 | 27 | 257 | 117.2 | 10.3 |
| 17 | 27 | 265 | 117.0 | 10.3 |
| 18 | 27 | 267 | 116.7 | 10.3 |
| 19 | 27 | 269 | 116.3 | 10.3 |
| 20 | 27 | 270 | 116.3 | 10.3 |
| 21 | 27 | 270 | 116.3 | 10.3 |
| 22 | 27 | 270 | 116.3 | 10.3 |
| 23 | 27 | 270 | 116.3 | 10.3 |
| 24 | 27 | 270 | 116.3 | 10.3 |
| 25 | 27 | 270 | 116.3 | 10.3 |
| 26 | 27 | 270 | 116.3 | 10.3 |
| 27 | 27 | 270 | 116.3 | 10.3 |
| 28 | 27 | 270 | 116.3 | 10.3 |
| 29 | 27 | 270 | 116.3 | 10.3 |
| 30 | 27 | 270 | 116.3 | 10.3 |
| 31 | 27 | 270 | 116.3 | 10.3 |
| 32 | 27 | 270 | 116.3 | 10.3 |
| 33 | 27 | 270 | 116.3 | 10.3 |
| 34 | 27 | 270 | 116.3 | 10.3 |
| 35 | 27 | 270 | 116.3 | 10.3 |
| 36 | 27 | 270 | 116.3 | 10.3 |
| 37 | 27 | 270 | 116.3 | 10.3 |
| 38 | 27 | 270 | 116.3 | 10.3 |
| 39 | 27 | 270 | 116.3 | 10.3 |
| 40 | 27 | 270 | 116.3 | 10.3 |
| 41 | 27 | 270 | 116.3 | 10.3 |
| 42 | 27 | 270 | 116.3 | 10.3 |
| 43 | 27 | 270 | 116.3 | 10.3 |
| 44 | 27 | 270 | 116.3 | 10.3 |
| 45 | 27 | 270 | 116.3 | 10.3 |
| 46 | 27 | 270 | 116.3 | 10.3 |
| 47 | 27 | 270 | 116.3 | 10.3 |
| 48 | 27 | 270 | 116.3 | 10.3 |

OBSERVER

Gifts for the Cometose

By Russell Baker

NEW YORK — Please don't think me blasé when I say the approach of Halley's comet does not make my pulse flutter. It is a simple case of disillusion. A few years ago I got terribly worked up about another comet and had my heart broken when it failed to show up.

That comet was named Kohoutek. Sure, Kohoutek was out there somewhere. People with access to the Mount Wilson Observatory could even see it. But to us of the naked-eye set, Kohoutek was a dud.

My children were then young enough to be flabbergasted by my wisdom, or so I thought, and I had filled them with a great deal of wisdom about this Kohoutek, which we would soon see in glorious flashing color with our own naked eyes.

Finally, growing impatient myself — for the newspapers, after the excited frothings of their astronomy experts, had fallen ominously silent — I signed it one night in the Maryland sky. I was driving an interminable turnpike with the family sealed in a sedan when I spotted a brilliant light hovering over faraway Baltimore.

"There it is," I cried. "Kohoutek."

All the children responded at once in chorus: "That's not a comet. That's just Venus, the evening star." I have had no use for comets since.

might observe this astonishing phenomenon of heavenly refrigeration."

This retrieved an awkward situation, for the sweet child, slavishly obeying the current avalanche of advertising advice on what to get dad, hubby or gramps for Christmas, had obviously bought either a telescope or binoculars to help me enjoy Halley's comet to its fullest.

Al well, I thought, it will be easy to bubble happily about either binoculars or telescope when the gifts are opened since with either one I can sit on the roof and stare at the craters of the moon while the rest of them are pined by "Knot's Landing" to the TV set.

Two days later a young man who is very close to me telephoned. "I guess you're really excited about Halley's comet, right?" he said.

"Right, absolutely right," I said.

"The only reason I have insisted on living to my present advanced age is so I could catch Halley's comet this time around."

Well, perhaps the girl was giving me binoculars and the boy a telescope. With a telescope I could sit on the roof and see the rings of whichever planet it is that has the rings. I should know its name, I suppose, but life is too short to master both the solar system and the wines of Bordeaux, and though I am uncertain which planet has the rings I know exactly which wine should be drunk while examining such planets through a telescope.

A few minutes later my wife arrived home carrying a telescope-shaped shopping bag.

By bedtime my grandmother and Aunt Dolly had both phoned to confirm their suspicions that the approach of Halley's comet had me more excited than any phenomenon since the scene in "Heath's Angels" in which Jean Harlow appeared in a bathtub.

After Christmas, up on the roof, I shall be well equipped in case a similar scene is playing behind some uncertain window in the neighborhood. So will a lot of other dads, husbands, grandpas, godsons and favorite nephews, thanks to the late Halley. Science these days may be just one piece of depressing news after another, but in almost every instance it also offers some small reward for mankind.

New York Times Service

'New' Hemingway Novel on Bisexuality

By Edwin McDowell
New York Times Service

NEW YORK — An unpublished novel that Ernest Hemingway worked on over the course of 15 years will be published in May by Charles Scribner's Sons. "The Garden of Eden," deals with a young American who writes and his wife of three weeks, both of whom are attracted to the same woman.

The novel's treatment of bisexuality is a departure from the masculine themes popularity associated with Hemingway. "It shows a lot of the tenderness and vulnerability that was usually obscured by his public image," said Tom Jenks, who edited the manuscript.

The theme also helps explain why the book is being published only now, 24 years after Hemingway's death. "The theme of bisexuality is not as strange today as it was 25 years ago," said Charles Scribner Jr., chairman of Charles Scribner's Sons, which has published Hemingway since 1926. He said that several editors, himself included, "took a crack at editing the work," but the publishing house was never satisfied with the results until now.

Scribner's describes the book, begun in 1946 and worked on at intervals until shortly before the author's death in 1961, as Hemingway's "last unpublished major work," although a 1928 novel of 300 handwritten pages exists among the Hemingway papers at the John F. Kennedy Library in Dorchester, Massachusetts. Peter Griffin, a Hemingway biographer and one of the few people to have read that manuscript, said the Scribner claim was probably accurate because the earlier novel was incomplete and badly flawed.

Professor Carlos Baker, in a biography of Hemingway, described "The Garden of Eden" as "an experimental compound of past and present, filled with astonishing inaptitudes and based in part upon memories of his marriage" to Hadley Richardson and Pauline Pfeiffer.

Baker noted that the opening locale, the seaport village of Le Gran-du-Roi, France, at the foot of the Rhône estuary, was where Hemingway spent his honeymoon with Mary Hemingway, the author's widow, brought the manuscript to the company



moon with Pfeiffer in May 1927. Like Hemingway at that time, the hero, David Bourne, has been married only three weeks and is the author of a successful novel. His wife, Catherine, shares his humors and his pleasures. According to Baker: "These nights were given to experiments with the transfer of sexual identities in which she assumed the name of Pete and he the name of Catherine."

Baker, noting that the novel was partly used in the development of "Across the River and into the Trees," said that "it had none of the tant nervousness of Ernest's best fiction, and was so repetitious that it seemed interminable." He noted that it ran to 45 chapters and more than 200,000 words.

That repetition presumably had been primed in the editing by Jenks, who worked on the novel for five months to reduce it to 30 chapters and one-third its original length. "What is important," Jenks said, "is that there's nothing in the book that is not Hemingway. The book is absolutely identical to the structure — scene by scene, chapter by chapter, line by line."

Scribner said Mary Hemingway, the author's widow, brought the manuscript to the company

more than 20 years ago. "I don't think anybody could accuse us of rushing into print with it, but when dealing with a posthumous work by a world-class author like Ernest Hemingway you have a responsibility to exercise care," he said.

"The Garden of Eden" will be the 10th posthumous Hemingway book. The others include "Ernest Hemingway: Selected Letters, 1917-1961," edited by Baker; "Islands in the Stream," a novel about the dissolution of a painter's family; and "A Moveable Feast," sketches of Hemingway's life and acquaintances in Paris.

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Earlier this year, Scribner's published "The Endless Summer," a sharply edited version of Hemingway's chronicle of the Spanish bullfight season of 1959.

That book was on The New York Times best-seller list for seven weeks.

Griffin's recently published biography, "Along With Youth: Hemingway, the Early Years" (Oxford University Press), contains five previously unpublished short stories that Griffin found among the Hemingway papers. And on Friday, Scribner's will publish "Dateline: Toronto," a volume of all 172 dispatches Hemingway wrote for The Toronto Star in 1920-24.

The cutting I did involved taking out a subplot in a very rough draft that he had not integrated into the main body of the novel. But within the unfinished manuscript was a complete and major work that is absolutely authentic to Hemingway's work as a whole."

Jenks said his first question, upon approaching the manuscript, was, "Is there a book here that should be published for readers?" He was satisfied that the answer was yes, he said.

"What you go into something like this," he said, "you go totally under the law established by the writer — in this case, the law of an ancient god. I'd like to think that if Hemingway had lived he would have made the same sorts of decisions that ultimately I made."

"Brazil," which won three awards from the Los Angeles Film Critics Association even though it has not been commercially released in the United States, will be given a one-week U. S. run beginning Dec. 25 to qualify it for the 1985 Academy Awards competition. Universal Pictures' chairman, Frank Price, said that "Brazil" would be released in New York and Los Angeles and that the studio would schedule private screenings for members of the Academy of Motion Picture Arts and Sciences. "Brazil," the subject of a long feud between its director, Terry Gilliam, and Sidney Sheinberg, president of Universal's parent, MCA Inc., won the film critics' awards Saturday for best picture, best director and best screenplay. The critics also voted Gilliam best director, and their screenplay award went to Gilliam, Tom Stoppard and Charles McKeown. "Brazil," an Orwellian nightmare about a person who defines a depersonalized bureaucratic system and is crushed, stars John Hurt and Raul Julia. The spokeswoman said, Hurt said Carne had flown to Britain for a court appearance in her home town, Northampton, where she charged in October with possessing cocaine, cannabis and amphetamines. That court date will be rescheduled. Carne, best known for the 1960 television series "Laugh-In," had been in the United States promoting her autobiography, "Laughing on the Outside: Coming on the Inside."

to say where he got the \$70,000 French francs (\$36,170) found on him after a road accident Nov. 16 in Britain, a court source said.

Judy Carne, returning to Britain to appear in court on drug-possession charges, was arrested by customs officials at Heathrow airport on new charges of bringing cocaine and cannabis into the country. A Scotland Yard spokeswoman said the actress, 46, was arrested after arriving on a flight from the United States. Carne is to appear in a London court on the new charges today, the spokeswoman said. Police said Carne had flown to Britain for a court appearance in her home town, Northampton, where she charged in October with possessing cocaine, cannabis and amphetamines. That court date will be rescheduled. Carne, best known for the 1960 television series "Laugh-In," had been in the United States promoting her autobiography, "Laughing on the Outside: Coming on the Inside."

Rita Laemmle has deflected twice on initial payment of the \$7 million Deutsche marks (less \$646,000) she bid Oct. 21 for a famous pair of stamp, Stern magazine said Tuesday. The cause: blue and orange-red one-penny Mauritius stamps are still in the safe of a Hamburg auctioneer. Stern said it suspected that the German-born Laemmle, former wife of the late Revlon chief Charles Laemmle, bid for the stamps as a publicity stunt. But Laemmle told the magazine, "In the United States, big people don't have to pay for a big deal at once."

Queen Elizabeth II has refused to block the use of Britain's royal warrants on cigarette packs. An opposition politician, Eric Heffer, had asked the queen to review the policy last January after her sister, Princess Margaret, a heavy smoker, had proved to be minor lung surgery.

President François Mitterrand of France and Jack Lang, minister of culture, inaugurated the revamped National Museum of Modern Art at the Pompidou Center on Tuesday. Part of the gallery was reopened last spring.

A Soviet émigré opened his eyes and started talking again after nearly three weeks of a fake coma, but he may wish he hadn't. French officials charged Vladimir Leontov with theft and concealment, court and police sources in Boulogne-sur-Mer said. Leontov, 43, a resident of France since 1978, refused

to appear in court on drug-possession charges, was arrested by customs officials at Heathrow airport on new charges of bringing cocaine and cannabis into the country. A Scotland Yard spokeswoman said the actress, 46, was arrested after arriving on a flight from the United States. Carne is to appear in a London court on the new charges today, the spokeswoman said. Police said Carne had flown to Britain for a court appearance in her home town, Northampton, where she charged in October with possessing cocaine, cannabis and amphetamines. That court date will be rescheduled. Carne, best known for the 1960 television series "Laugh-In," had been in the United States promoting her autobiography, "Laughing on the Outside: Coming on the Inside."

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New York Times Service

ANNOUNCEMENTS

ALCOHOLICS ANONYMOUS in English, Paris (day) 4234 5922, from 6/1 to 20.

DOMINICAN DIVORCES. Box 2002, Santo Domingo, Dominican Republic.

PERSONALS

MARY HUNTER, Can't wait Dec. 23 of this year, 2522 Kokomo Ave., 008-922-6511.

HAVE A MERRY CHRISTMAS. Box 2001, Paris 75179 G.

SHAM MEADOW, 008-922-6511, 6433 collect. Women Love Men/Dad MY DEAR WOMEN, have a happy 200th birthday. I love you, Urchin.

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